

CARS AND CAR BENEFITS

Taxable amount based on car's list price when new up to £80,000
Charge varies according to CO₂ emissions in grams per kilometre

CO ₂ Emissions g/km	Petrol or Pre-2006 Euro IV diesel engine %	Other diesel engines %	Hybrid petrol/ electric engine %	*LPG or dual LPG & petrol %
Under 145	15	18	12	13
145-149	16	19	13	14
150-154	17	20	14	15
155-159	18	21	15	16
160-164	19	22	16	17
165-169	20	23	17	18
170-174	21	24	18	19
175-179	22	25	19	20
180-184	23	26	20	21
185-189	24	27	21	22
190-194	25	28	22	23
195-199	26	29	23	24
200-204	27	30	24	25
205-209	28	31	25	26
210-214	29	32	26	27
215-219	30	33	27	28
220-224	31	34	28	29
225-229	32	35	29	30
230-234	33	35	30	31
235-239	34	35	31	32
240 & over	35	35	32	33

The exact CO₂ figure is always rounded down to the lower 5g/km

Euro IV diesel cars registered before 1/1/06 are treated as petrol cars. Euro IV

diesel cars registered from 2006 are treated as other diesels

**The percentage of list price applies to cars manufactured or converted before type approval. The petrol scale applies to LPG/petrol cars converted after type approval but the cost of conversion is disregarded*

Electric-only cars are taxed at 9% of the list price

Fuel Benefits – taxable amount for private use	£
Multiply the CO ₂ % used for the car benefit by	14,400
Minimum charge at 15%	2,160
Maximum charge at 35%	5,040

Company Cars – advisory fuel rates from 1/2/07

Engine size	Petrol	Diesel	LPG
1,400cc or less	9p	9p	6p
1,401cc to 2,000cc	11p	9p	7p
Over 2,000cc	16p	12p	10p

Use of Own Vehicle – tax-free mileage per business mile

Cars Up to 10,000 business miles	40p	Motorcycles	24p
Over 10,000 business miles	25p	Bicycles	20p

VANS – TAXABLE AMOUNTS FOR PRIVATE USE

Van: £3,000 Fuel: £500

No charge if private use is limited to journeys between home & work

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For information only. Always seek professional advice before acting.

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the Budget



Tax facts 2007/08

INCOME TAX

	07/08	06/07
Rates	£	£
10% on first	2,230	2,150
22% (20% for savings income) on next	32,370	31,150
40% on income over	34,600	33,300
Dividends for:		
basic rate taxpayers	10%	10%
higher rate taxpayers	32.5%	32.5%
Trusts: standard rate band generally	1,000	1,000
dividends (rate applicable to trusts)	32.5%	32.5%
other income (rate applicable to trusts)	40%	40%
Pre-owned assets tax (£5,000 minimum taxable)	As income	

Main Personal Reliefs

Personal (basic)	5,225	5,035
Personal (65–74)	7,550	7,280
Personal (75 & over)	7,690	7,420
Married/civil partner's (minimum) at 10%*	2,440	2,350
Married/civil partner's (under 75) at 10%*	6,285	6,065
Married/civil partner's (75 +) at 10%	6,365	6,135

Age-related reliefs reduced by 50% of income over	20,900	20,100
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*Where at least one spouse/civil partner was born before 6 April 1935

Child Tax Credit

Family element	545	545
Family element baby addition	545	545
Usually reduced by 6.67% of joint income over	50,000	50,000
Childcare & childcare vouchers – per week	55	55

Venture Capital Trust maximum investment	200,000	200,000
Rate of income tax relief	30%	30%

REGISTERED PENSIONS

	07/08	06/07
Lifetime allowance*	£1,600,000	£1,500,000
Annual allowance	£225,000	£215,000
Lifetime allowance charge	55% if excess drawn as cash 25% if excess drawn as income	
Annual allowance charge	40% of excess	
Maximum pension commencement lump sum*	25% of pension benefit value	
Maximum relivable personal contribution	100% relevant UK earnings or £3,600 if greater	

*Subject to transitional protection for excess amount

INDIVIDUAL SAVINGS ACCOUNTS (ISAs)

Maximum Investment Component	Maxi-ISA 06/08	Mini-ISA 06/08
Cash	£3,000	£3,000
Stocks & shares	balance up to £7,000	£4,000

NATIONAL INSURANCE CONTRIBUTIONS**Employed Class 1 Employee Not Contracted-Out of State Second Pension (S2P)**

	Employee	Employer
NIC rate	11%	12.8%
No NICs on the first	£100 pw	£100 pw
NICs charged at 11% up to	£670 pw	No limit
1% NIC on earnings over	£670 pw	N/A
Certain married women	4.85%	12.8%

Contracted-Out Rebate

Rebate on	£87.01–£670 pw	
Salary-related scheme	1.6%	3.7%
Money-purchase scheme	1.6%	1.4%
Personal pension		No reduction

Limits and Thresholds

	Weekly £	Monthly £	Annual £
Lower earnings limit	87	377	4,524
NICs start	100	435	5,225
Upper earnings limit	670	2,904	34,840
Low earnings threshold – S2P			13,000

Class 1A Employer

On car and fuel benefits and most other taxable benefits 12.8%

Self-Employed

Class 2 Flat rate if earnings over	£2.20 pw	£114.40 pa	£4,635 pa
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Class 4 unless over state pension age on 6 April 2007

On profits	£5,225–£34,840 pa	8%	
	Over £34,840 pa	1%	

Voluntary

Class 3 Flat rate	£7.80 pw	£405.60 pa	
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BASIC STATE PENSION

	Weekly	Annual
Single person	£87.30	£4,539.60
Dependant's addition	£52.30	£2,719.60
Total married pension	£139.60	£7,259.20

Pension Credit – standard income guarantee

Single	£119.05	£6,190.60
Married	£181.70	£9,448.40

STAMP DUTIES**Stamp Duty Land Tax**

Consideration is £125,000* or less	NIL
Consideration is over £125,000* and up to £250,000	1%
Consideration is over £250,000 and up to £500,000	3%
Consideration is over £500,000	4%

*£150,000 for residential properties in disadvantaged areas and all non-residential properties

Stamp Duty (including Stamp Duty Reserve Tax)

Stocks and marketable securities	0.5%
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CAPITAL GAINS TAX

Tax Rate	07/08	06/07
Individuals	As savings rate	
Trusts and estates	40%	40%
Exemptions	£	£
Individuals, estates, etc	9,200	8,800
Trusts generally	4,600	4,400
Chattels proceeds (½ excess gain is taxable)	6,000	6,000

Taper Relief for 06–08 Percentage of gain that is chargeable based on the number of complete years an asset is owned after 5/4/98

Years owned	1	2	3	4	5	6	7	8	9	10
Business assets	50	25	25	25	25	25	25	25	25	25
Other assets*	100	100	95	90	85	80	75	70	65	60

*One year's extra relief for other assets owned before 17/3/98

INHERITANCE TAX

	07/08	06/07
Nil-rate band	£300,000	£285,000
Rate of tax on excess	40%	40%
Lifetime transfers to and from certain trusts	20%	20%
Overseas domiciled spouse/civil partner exemption	£55,000	£55,000
Relief for businesses, unlisted and AIM companies, certain farmland/buildings	100%	100%
Relief for certain other business assets	50%	50%

Reduced tax charge on gifts within 7 years of death

Years before death	0-3	3-4	4-5	5-6	6-7
% of death tax charge	100	80	60	40	20
Annual exempt gifts	£3,000 per donor			£250 per donee	

VALUE ADDED TAX

Standard rate	17.5%
Reduced rate, eg on domestic fuel	5%
Registration level from 1/4/07	£64,000
Flat rate scheme turnover limit	£150,000
Cash and annual accounting turnover limit	£1,350,000

CORPORATION TAX

Profits £	Effective Rate To 31/3/08	Effective Rate To 31/3/07
0-300,000	20%	19%
300,001–1,500,000	32.5%	32.75%
1,500,001 and over	30%	30%