
Taxation Reference Material

Northern Ireland

For use in First and Second Year Taxation Examinations

Summer & Autumn 2012



TAXATION REFERENCE MATERIAL

FOR TAX YEAR 2011/12

(To be used by candidates in answering the Taxation papers)

INCOME TAX

	Rate
	%
First £35,000	20
£35,001- £150,000	40
On income >£150,000	50
Dividends at basic rate.....	10
Dividends higher rate	32½
Dividends where income > £150,000	42½

For 2011/12 there is a starting rate savings band for individuals of £2,560. Where an individual's non-savings income is less than the starting rate limit for savings, the savings income is taxable at the 10% starting rate for savings income up to the limit. Where non-savings income exceeds the limit, the starting rate for savings does not apply.

ALLOWANCES

	£
Personal	7,475

Note: Where income > £100,000 personal allowance will be reduced by 50%.

Blind persons allowance.....	1,980
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Married Couples Allowance

Elder age 75 and over	7,295
Both subject to a minimum allowance of	2,800

Where applicable MCA attracts tax relief at 10%

Age allowance

Personal (65-74).....	9,940
Personal (Over 75)	10,090

Maximum income before abatement of relief 24,000

Age related reliefs, excess over basic relief reduced by 50%

RATE OF INTEREST

Official rate of interest 4.00%

BUSINESS RELATED TRAVEL EXPENSES

HMRC Approved mileage allowance (for business related travel expenses)

0-10,000 miles	45p
10,000 miles +	25p

Advisory Fuel Rates (for reimbursed business travel in their company cars or where employers require employees to repay the cost of fuel used for private travel)

ENGINE SIZE	PETROL	DIESEL	LPG
1400c.c or less	14p	13p	10p
1401 to 2000 c.c	16p	13p	12p
Over 2000 c.c	23p	16p	17p

SCALE BENEFITS - MOTOR CARS

Percentage of manufacturer's list price	
2011-2012	
CO2 emissions in grams per kilometre (g/km)	% of car's price to be taxed
75 or below	5
76 -120	10
121 -129	15
130 -134	16
135 -139	17
140 -144	18
145 -149	19
150 -154	20
155 -159	21
160 -164	22
165 -169	23
170 -174	24
175 -179	25
180 -184	26
185 -189	27
190 -194	28
195 -199	29
200 -204	30
205 -209	31
210 -214	32
215 -219	33
220 -224	34
225 & above	35

Car benefit is calculated on a percentage of the list price of the car plus the price of optional accessories when the car was first registered appropriate to the level of the car's Co2 emissions. There is a 3% supplement on diesel cars not meeting Euro IV emission standards subject to the maximum charge of 35%.

SCALE BENEFITS - FUEL SUPPLIED FOR PRIVATE USE

The same CO₂ percentage as for car benefit will be applied to the fixed sum of £18,800.

VALUE ADDED TAX

VAT REGISTRATION LIMITS

From 1/04/11	£73,000
From 1/04/11	£71,000 (deregistration)

Standard Rate 20% .Relevant VAT inclusive fraction 1/6.

VAT ON PRIVATE FUEL

SCALE BENEFITS - MOTOR CARS

From 01/05/2008 24 bands based on CO₂ emissions apply where private fuel is provided

VAT fuel scale charges (inclusive of VAT)	
2011-2012	
CO₂ emissions in grams per kilometre (g/km)	Gross VAT fuel scale charge - 3 month period (£VAT inc)
120 or below	157.00 (26.17)
125	236.00 (39.33)
130	252.00 (42.00)
135	268.00 (44.67)
140	283.00 (47.17)
145	299.00 (49.83)
150	315.00 (52.50)
155	331.00 (55.17)
160	346.00 (57.67)
165	362.00 (60.33)
170	378.00 (63.00)
175	394.00 (65.67)
180	409.00 (68.17)
185	425.00 (70.83)
190	441.00 (73.50)
195	457.00 (76.17)
200	472.00 (78.67)
205	488.00 (81.33)
210	504.00 (84.00)
215	520.00 (86.67)
220	536.00 (89.33)
225 & above	551.00 (91.83)

CAPITAL GAINS TAX

Annual Exemption	£
2011/12	10,600
2010/11	10,100
2009/10	10,100

Rate

(Pre 23 June 2010) 18%

(On or after 23 June 2010) Taxable Gains where there is un-utilised basic rate band is taxed at 18%

Taxable Gains where there is no unutilized basic rate band are taxed at the rate of 28%.

Entrepreneurs' relief –

Pre 23 June 2010

Entrepreneurs' relief will reduce the chargeable gain on qualifying assets by 4/9 – an effective rate of 10%. An individual will be able to make claims for disposals on or after 6 April 2008. Claims may be made on more than one occasion up to a lifetime total of £2 million of gains.

On or after 23 June 2010

Gains qualifying for entrepreneurs' relief will be charged at 10% - the 4/9 reduction will no longer apply. The lifetime limit is increased to £10 million from 6 April 2011.

CORPORATION TAX

	Financial Year commencing	
	1st April 11 %	1st April 10 %
First £300,000	20	21
Next £1,200,000	27.5	29.75
Over £1,500,000	26	28
Small companies' marginal relief fraction	3/200	7/400

PERSONAL RETIREMENT PROVISIONS

PENSION CONTRIBUTIONS - Limit of Allowable Payment

Individuals may obtain tax relief on any contributions made to a registered pension scheme, up to 100% of their relevant UK earnings for a tax year, OR £3,600 per year if their relevant UK earnings are less than this amount.

Employer contributions do not count as part of an individual's contributions. The normal minimum pension age is 50 but this may be higher for some schemes. Pension benefits must be taken by the age of 75.

There are annual and lifetime limits on the value of contributions made to a registered scheme, tax charges will be applied where these limits are exceeded.

	Annual Allowance	Lifetime Allowance
2011/12	£50,000	£1.8million

Earnings limits and National Insurance contribution rates

	Employee's contribution	Employer's contribution
	Contribution Table Letter A	Contribution Table Letter A
(LEL) Below £102.00 weekly or Below £442.00 monthly or Below £5,304.00 yearly	Nil	Nil
£102.01 to £139.00 weekly or £442.01 to £602.00 monthly or £5,304.01 to £7,225.00 yearly	0%	0%
(Primary Threshold to UEL) £139.01 to £817.00 weekly or £602.01 to £3,540.00 monthly or £7,225.01 to £42,475.00 yearly	12% on earnings above the Primary Threshold	13.8% on earnings above the Primary Threshold**
(Over UEL) Over £817.00 weekly or Over £3,540.00 monthly or Over £42,475.00 yearly	2% on earnings above the UEL	13.8% on earnings above the Primary Threshold

*Class 4 NIC - 2011/12. Self employed on profits between £7,225 and £42,475 at the rate of 9% and on profits over £42,475 at the rate of 2%.
Exemption from employees primary contributions OR self employed contributions applies if state pension age was reached by 6 April 2011.

**For the Employer's contribution, the weekly rate is actually £136.01 to £817. This equates to £589.01 to £3,540 monthly or £7,072 to £42,475 yearly.