

APPENDIX

# Taxation Reference Material

## Northern Ireland

For use in First Year and Second Year Taxation Examinations

Summer & Autumn 2023

**INCOME TAX**

	Rate %
First £37,700	20
£37,700- £150,000	40
On income >£150,000	45
Dividends at basic rate	8.75
Dividends higher rate	33.75
Dividends where income > £150,000	39.35
<b>Personal Savings Allowance</b> - £1,000 for basic rate taxpayers & £500 for higher rate taxpayers. Additional rate taxpayers are not entitled to any PSA.	0% rate applies to savings Income falling within the Personal Savings Allowance.
<b>Dividend Allowance</b> - £2,000	0% rate applies to dividend income falling within the Dividend Allowance

There is a starting rate savings band for individuals of £5,000. Where an individual's non-savings income is less than the starting rate limit for savings, the savings income is taxable at the 0% starting rate for savings income up to the limit. Where non-savings income exceeds the limit, the starting rate for savings does not apply. The starting rate savings band (where applicable) is given in addition to the PSA.

**ALLOWANCES**

£

Personal .....	
<i>Note: Where income &gt; £100,000 personal allowance will be reduced by 50% of the excess</i>	12,570
Blind persons allowance.....	2,600
Transferable Marriage Allowance .....	Up to 1,260
Where applicable, the transferable marriage allowance attracts tax relief at 20%	
Married Couples Allowance:	
Elder born before 6 April 1935.....	9,415
Both subject to a minimum allowance of .....	3,640
Income limit .....	31,400

Where applicable MCA attracts tax relief at 10%

## RATE OF INTEREST

Official rate of interest .....2.00%

## BUSINESS RELATED TRAVEL EXPENSES

HMRC Approved mileage allowance (for business related travel expenses)

<b>Cars and Vans</b>	
0-10,000 miles	45p
10,000 miles +	25p

<b>Bicycles</b>	20p
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<b>Motorcycles</b>	24p
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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	LPG	DIESEL
1400cc or less	14p	9p	13p*
1401 to 2000 cc	17p	11p	16p**
Over 2000 cc	25p	16p	19p

\* For diesel cars, the lower engine size is 1600cc or less

\*\* For diesel cars, this is 1601cc – 2000cc

**SCALE BENEFITS – MOTOR CARS**

Percentage of Manufacturer's List Price 2022/23		
CO <sub>2</sub> emissions in grams per kilometer (g/km)	Electric range (miles)	% of car's price to be taxed*
0		2
1 - 50	130+	2
1 - 50	70 - 129	5
1 - 50	40 - 69	8
1 - 50	30 - 39	12
1 - 50	< 30	14
51 - 54		15
55 - 59		16
60 - 64		17
65 - 69		18
70 - 74		19
75 - 79		20
80 - 84		21
85 - 89		22
90 - 94		23
95 - 99		24
100 - 104		25
105 - 109		26
110 - 114		27
115 - 119		28
120 - 124		29
125 - 129		30
130 - 134		31
135 - 139		32
140 - 144		33
145 - 149		34
150 - 154		35
155 - 159		36
160 +		37

- There is a 4% supplement on diesel cars subject to the maximum charge of 37%
- A 0% (zero) rate applies to cars that cannot emit CO<sub>2</sub> when driven
- If the car is certified to Real Driving Emission Standard 2 (RDE2) 0% is added
- The list price includes accessories and not subject to an upper limit
- The list price is reduced for capital contributions made by the employee up to £5,000

## SCALE BENEFITS – FUEL SUPPLIED FOR PRIVATE USE

The same CO<sub>2</sub> percentage as for car benefit will be applied to the fixed sum of £25,300.

### VALUE ADDED TAX

#### VAT REGISTRATION LIMITS

From 01/04/2021	£85,000
From 01/04/2021	£83,000 (deregistration)

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

### VAT ON PRIVATE FUEL

#### SCALE BENEFITS – MOTOR CARS

VAT fuel scale charges (inclusive of VAT)		
With Effect From 1 May 2022		
CO <sub>2</sub>	3 Month Gross Scale Charge	VAT
120 or less	£174	£29.00
125	£262	£43.67
130	£279	£46.50
135	£296	£49.33
140	£314	£52.33
145	£332	£55.33
150	£349	£58.17
155	£367	£61.17
160	£385	£64.17
165	£402	£67.00
170	£419	£69.83
175	£437	£72.83
180	£454	£75.67
185	£472	£78.67
190	£490	£81.67
195	£507	£84.50
200	£525	£87.50
205	£543	£90.50
210	£559	£93.17
215	£577	£96.17
220	£595	£99.17
225 & above	£612	£102.00

**CAPITAL GAINS TAX**

<b>Annual Exemption</b>	<b>£</b>
2022/23	12,300
2021/22	12,300
2020/21	12,300
2019/20	12,000
2018/19	11,700

**Rate**

Taxable gains where there is un-utilised basic rate band are taxed at 10% up to the basic rate band and at 20% on the excess. Taxable gains where there is no unutilised basic rate band are all taxed at the rate of 20%.

*Note* also that the relevant rate for disposals of residential properties are 18% and 28%.

**Business Asset Disposal Relief**

Gains qualifying for Business Asset Disposal Relief will be charged at 10%, and a lifetime limit of £1 million applies to disposals on or after 11 March 2020.

## CORPORATION TAX

For Financial Year commencing 1 April 2022, the rate of corporation tax is 19%,  
which applies to all profits (1 April 2022: 19%)

### Earnings limits and National Insurance Contribution rates

Budget 2022 increased the PT limit from £190 per week to £242 per week. This change came into effect from 6 July 2022, which means there were two different limits which applied during the 2022/23 tax year. For simplicity purposes, we will assume that the change came into effect from 6 April 2022 and therefore we refer to the PT limit of £242 per week or £1,048 per month within the Tax Reference Material.

	Employee's Contribution
<b>Earnings below the Lower Earnings Limit ("LEL"):</b> Below £123 weekly or Below £533 monthly or Below £6,396 yearly	NIL
<b>Earnings at or above the LEL up to and including the Primary Threshold ("PT"):</b> £123 to £242 weekly or £533 to £1,048 monthly or £6,396 to £12,570 yearly	0%
<b>Earnings above the PT up to and including the Upper Earnings Limit ("UEL"):</b> £242 to £967 weekly or £1,048 to £4,189 monthly or £12,584 to £50,270 yearly	13.25%
<b>Earnings above the UEL:</b> Over £967 weekly or Over £4,189 monthly or Over £50,270 yearly	3.25%

	<b>Employer's Contribution Table Letter A</b>
<b>Earnings below the Secondary Threshold ("ST") *:</b> Below £175 weekly or Below £758 monthly or Below £9,100 yearly	0%
<b>Earnings above the ST*</b> Over £175 weekly or Over £758 monthly or Over £9,100 yearly	15.05%

If the employee is under 21, or is an apprentice and under 25, the ST is replaced with the Upper Secondary Threshold ("UST") / Apprentice Upper Secondary Threshold ("AUST") of £967pw / £4,189pm / £50,270pa. If earnings exceed these limits, Employer's NIC is payable at 15.05% on the excess.

Class 4 NIC – Self-employed pay Class 4 contributions on profits between £11,908 and £50,270 at the rate of 10.25% and on profits over £50,270 at the rate of 3.25%.

Class 2 NIC – Self-employed pay Class 2 contributions of £3.15 pw. if profits exceed the Lower Profit Limit of £11,908. If profits fall between the Small Profit Threshold of £6,725 and the Lower Profit Limit of £11,908, the self-employed individual may be able to opt to continue making NI contributions on a voluntary basis.