

# Taxation Reference Material Syllabus 2021/22

Northern Ireland

For use in First and Second Year Taxation Examinations

Summer & Autumn 2022



### INCOME TAX

	Rate %
First £37,700	20
£37,700- £150,000	40
On income >£150,000	45
Dividends at basic rate	7.5
Dividends higher rate	32.5
Dividends where income > £150,000	38.1
<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.....	2,520
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.....	9,125
Both subject to a minimum allowance of .....	3,530
Income limit .....	30,400
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)

<b>ENGINE SIZE</b>	<b>PETROL</b>	<b>LPG</b>	<b>DIESEL</b>
1400cc or less	11p	8p	9p*
1401 to 2000 cc	13p	9p	11p**
Over 2000 cc	19p	14p	13p

\* 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 2021 – 2022		
CO <sub>2</sub> emissions in grams per kilometer (g/km)	Electric range (miles)	% of car's price to be taxed*
0		
1 - 50	130+	1
1 - 50	70 - 129	4
1 - 50	40 - 69	7
1 - 50	30 - 39	11
1 - 50	< 30	13
51 - 54		14
55 - 59		15
60 – 64		16
65 – 69		17
70 – 74		18
75 – 79		19
80 – 84		20
85 – 89		21
90 – 94		22
95 – 99		23
100 – 104		24
105 – 109		25
110 – 114		26
115 – 119		27
120 – 124		28
125 – 129		29
130 – 134		30
135 – 139		31
140 – 144		32
145 – 149		33
150 – 154		34
155 – 159		35
160 - 164		36
165 +		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 £24,600.

### 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 2021		
CO <sub>2</sub>	3 Month Gross Scale Charge	VAT
120 or less	£145	£24.17
125	£219	£36.50
130	£233	£38.83
135	£247	£41.17
140	£262	£43.67
145	£277	£46.17
150	£292	£48.67
155	£306	£51.00
160	£321	£53.50
165	£336	£56.00
170	£350	£58.33
175	£364	£60.67
180	£379	£63.17
185	£394	£65.67
190	£409	£68.17
195	£423	£70.50
200	£438	£73.00
205	£453	£75.50
210	£467	£77.83
215	£481	£80.17
220	£496	£82.67
225 & above	£511	£85.17

## CAPITAL GAINS TAX

Annual Exemption	£
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 2021, the rate of corporation tax is 19%, which applies to all profits (1 April 2020: 19%)

### Earnings limits and National Insurance Contribution rates

	Employee's Contribution
<b>Earnings below the Lower Earnings Limit ("LEL"):</b> Below £120 weekly or Below £520 monthly or Below £6,240 yearly	NIL
<b>Earnings at or above the LEL up to and including the Primary Threshold ("PT"):</b> £120 to £184 weekly or £520 to £797 monthly or £6,240 to £9,568 yearly	0%
<b>Earnings above the PT up to and including the Upper Earnings Limit ("UEL"):</b> £18 to £967 weekly or £797 to £4,189 monthly or £9,568 to £50,270 yearly	12%
<b>Earnings above the UEL:</b> Over £967 weekly or Over £4,189 monthly or Over £50,270 yearly	2%
	Employer's Contribution Table Letter A
<b>Earnings below the Secondary Threshold ("ST") *:</b> Below £170 weekly or Below £737 monthly or Below £8,840 yearly	0%
<b>Earnings above the ST*</b> Over £170 weekly or Over £737 monthly or Over £8,840 yearly	13.8%

\* Employers do not have to pay NIC on an employee's earnings where that employee is under 21, or is an apprentice and is under 25, and earns less than £967 per week.

Class 4 NIC – Self-employed pay Class 4 contributions on profits between £9,568 and £50,270 at the rate of 9% and on profits over £50,270 at the rate of 2%.

Class 2 NIC – Self-employed pay Class 2 contributions of £3.05 pw. if profits exceed the Small Profits Threshold of £6,515.

