

APPENDIX

Taxation Reference Material

Northern Ireland

For use in First and Second Year Taxation Examinations
Summer & Autumn 2020

INCOME TAX

	Rate %
First £37,500	20
£37,500- £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
Personal Savings Allowance - £1,000 for basic rate taxpayers & £500 for higher rate tax payers. Additional rate tax payers are not entitled to any PSA.	0% rate applies to savings Income falling within the Personal Savings Allowance.
Dividend Allowance - £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 > £100,000 personal allowance will be reduced by 50% of the excess</i>	12,500
Blind persons allowance.....	2,450
Transferable Marriage Allowance	Up to 1,250
Where applicable, the transferable marriage allowance attracts tax relief at 20%	
Married Couples Allowance:	
Elder born before 6 April 1935.....	8,915
Both subject to a minimum allowance of	3,450
Income limit	29,600
Where applicable MCA attracts tax relief at 10%	

RATE OF INTEREST

Official rate of interest2.50%

BUSINESS RELATED TRAVEL EXPENSES

HMRC Approved mileage allowance (for business related travel expenses)

Cars and Vans

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

Bicycles 20p

Motorcycles 24p

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	12p	8p	10p*
1401 to 2000 cc	15p	9p	12p**
Over 2000 cc	22p	14p	14p

* 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	
2019 - 2020	
CO ₂ emissions in grams per kilometer (g/km)	% of car's price to be taxed *
0 - 50	16
51 - 75	19
76 - 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 & Above	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 CO₂ when driven
- 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 CO₂ percentage as for car benefit will be applied to the fixed sum of £24,100.

VALUE ADDED TAX**VAT REGISTRATION LIMITS**

From 01/04/2019 £85,000

From 01/04/2019 £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 2019		
CO ₂	3 Month Gross Scale Charge	VAT
120 or less	£147	£24.50
125	£222	£37.00
130	£236	£39.33
135	£250	£41.67
140	£265	£44.17
145	£280	£46.67
150	£296	£49.33
155	£310	£51.67
160	£325	£54.17
165	£340	£56.67
170	£354	£59.00
175	£369	£61.50
180	£384	£64.00
185	£399	£66.50
190	£414	£69.00
195	£429	£71.50
200	£444	£74.00
205	£458	£76.33
210	£473	£78.83
215	£487	£81.17
220	£502	£83.67
225 & above	£517	£86.17

CAPITAL GAINS TAX

Annual Exemption	£
2019/20	12,000
2018/19	11,700
2017/18	11,300

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%.

Entrepreneurs' Relief

Gains qualifying for entrepreneurs' relief will be charged at 10% and a lifetime limit of £10 million applies.

CORPORATION TAX

For Financial Year commencing 1 April 2019, the rate of corporation tax is 19%, which applies to all profits (1 April 2018: 19%)

Earnings limits and National Insurance Contribution rates

	Employee's Contribution
Earnings below the Lower Earnings Limit ("LEL"): Below £118 weekly or Below £512 monthly or Below £6,136 yearly	NIL
Earnings at or above the LEL up to and including the Primary Threshold ("PT"): £118 to £166 weekly or £512 to £719 monthly or £6,136 to £8,632 yearly	0%
Earnings above the PT up to and including the Upper Earnings Limit ("UEL"): £166 to £962 weekly or £719 to £4,167 monthly or £8,632 to £50,000 yearly	12%
Earnings above the UEL: Over £962 weekly or Over £4,167 monthly or Over £50,000 yearly	2%
	Employer's Contribution Table Letter A
Earnings below the Secondary Threshold ("ST") *: Below £166 weekly or Below £719 monthly or Below £8,632 yearly	0%
Earnings above the ST* Over £166 weekly or Over £719 monthly or Over £8,632 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 £962 per week.

Class 4 NIC – Self-employed pay Class 4 contributions on profits between £8,632 and £50,000 at the rate of 9% and on profits over £50,000 at the rate of 2%.

Class 2 NIC – Self-employed pay Class 2 contributions of £3 pw. if profits exceed the Small Profits Threshold of £6,365.

