



PHILLIP  
CARROLL

ACCOUNTANTS & SERVICE CHARGE SPECIALISTS

A Xeinadin Company



# TAX FACTS

2021/22

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# Income Tax

## Rates and bands (other than savings and dividend income)

| 2021/22          |        | 2020/21          |        |
|------------------|--------|------------------|--------|
| Band £           | Rate % | Band £           | Rate % |
| 0 - 37,700       | 20     | 0 - 37,500       | 20     |
| 37,701 - 150,000 | 40     | 37,501 - 150,000 | 40     |
| Over 150,000     | 45     | Over 150,000     | 45     |

Income tax rates in Scotland and Wales on income other than savings and dividend income have been devolved.

## Savings income 2021/22 and 2020/21

|                               |        |
|-------------------------------|--------|
| Savings allowance basic rate  | £1,000 |
| Savings allowance higher rate | £500   |

*A starting rate of 0% may be available unless taxable non-savings income exceeds £5,000.*

## Dividend income 2021/22 and 2020/21

|                          |        |
|--------------------------|--------|
| Dividend allowance       | £2,000 |
| Dividend ordinary rate   | 7.5%   |
| Dividend upper rate      | 32.5%  |
| Dividend additional rate | 38.1%  |

## Reliefs 2021/22                      2020/21

|                                 |          |          |
|---------------------------------|----------|----------|
| Personal allowance              | £12,570  | £12,500  |
| Personal allowance income limit | £100,000 | £100,000 |
| Marriage allowance              | £1,260   | £1,250   |
| Married couple's allowance      | £9,125   | £9,075   |
| - minimum amount                | £3,530   | £3,510   |
| - income limit                  | £30,400  | £30,200  |
| Blind person's allowance        | £2,520   | £2,500   |

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## Capital Gains Tax

| Individuals            | 2021/22 | 2020/21 |
|------------------------|---------|---------|
| Exemption              | £12,300 | £12,300 |
| Standard rate          | 10%     | 10%     |
| Higher/additional rate | 20%     | 20%     |
| Trusts                 |         |         |
| Exemption              | £6,150  | £6,150  |
| Rate                   | 20%     | 20%     |

*Higher rates (18/28%) may apply to the disposal of certain residential property and carried interest.*

**Business Asset Disposal Relief** *The first £1m of qualifying gains are charged at 10%.*

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## National Insurance

### 2021/22 Class 1 (employed) rates

| Employee          |     | Employer          |      |
|-------------------|-----|-------------------|------|
| Earnings per week | %   | Earnings per week | %    |
| Up to £184        | Nil | Up to £170        | Nil  |
| £184.01 - £967    | 12  | Over £170         | 13.8 |
| Over £967         | 2   |                   |      |

*Entitlement to contribution-based benefits for employees retained for earnings between £120 and £184 per week. The employer rate is 0% for employees under 21 and apprentices under 25 on earnings up to £967 per week.*

**Class 1A (employers)** 13.8% on employee taxable benefits. **Class 1B (employers)** 13.8% on PAYE Settlement Agreements. **Class 2 (self-employed)** flat rate per week £3.05 small profits threshold £6,515 per annum. **Class 3 (voluntary)** flat rate per week £15.40. **Class 4 (self-employed)** 9% on profits between £9,568 and £50,270 plus 2% on profits over £50,270.

## Car, Van and Fuel Benefits

| 2021/22                        | Cars registered pre 6.4.20 | Cars registered after 5.4.20 |
|--------------------------------|----------------------------|------------------------------|
| CO <sub>2</sub> emissions g/km | % of list price taxed      | % of list price taxed        |
| 0                              | 1                          | 1                            |
| 1-50                           |                            |                              |
| Electric range - 130 or more   | 2                          | 1                            |
| 70 - 129                       | 5                          | 4                            |
| 40 - 69                        | 8                          | 7                            |
| 30 - 39                        | 12                         | 11                           |
| under 30                       | 14                         | 13                           |
| 51-54                          | 15                         | 14                           |
| For every extra 5              | +1                         | +1                           |
| 160 and above                  | 37                         | n/a                          |
| 165 and above                  | n/a                        | 37                           |

For fully diesel cars generally add a 4% supplement (unless the car is registered on or after 1 September 2017 and meets the Euro 6d emissions standard) but the maximum is still 37%. For emissions of 75g/km or more if the CO<sub>2</sub> figure does not end in a 5 or 0 round down to the nearest 5 or 0.

### 2021/22

|                  |         |
|------------------|---------|
| Car fuel benefit | £24,600 |
| Van benefit      | £3,500  |
| Van fuel benefit | £669    |

## Inheritance Tax

### Death rate

Nil  
40%

### Lifetime rate

Nil  
20%

### Chargeable transfers 2021/22 and 2020/21

0 - £325,000 (nil rate band)  
Over £325,000

A further nil rate band of £175,000 may be available in relation to current or former residences.

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## Corporation Tax

|                 | Rate % |                 | Rate % |
|-----------------|--------|-----------------|--------|
| Year to 31.3.22 | 19     | Year to 31.3.21 | 19     |

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## Capital Allowances

**Corporation tax super-deduction** on certain plant and machinery **130%**

**First Year Allowance (FYA)** on certain plant, machinery and cars of 0g/km **100%**

**Corporation tax FYA** on long-life assets, integral features of buildings, etc. **50%**

**Annual Investment Allowance (AIA) £1,000,000**  
**(£200,000 from 1 January 2022)**

Excludes cars

### Writing Down Allowance

Long-life assets, integral features of buildings, cars over 50g/km **6%**

Other plant and machinery **18%**

**Structures and Buildings Allowance** **3%**

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## Value Added Tax

|                             | From 1.4.21 | From 1.4.20 |
|-----------------------------|-------------|-------------|
| Standard rate               | 20%         | 20%         |
| Reduced rate                | 5%*         | 5%          |
| Annual Registration Limit   | £85,000     | £85,000     |
| Annual Deregistration Limit | £83,000     | £83,000     |

\*12.5% for hospitality and tourism from 1 October 2021 - 31 March 2022.

Disclaimer: Rates are for guidance only. No responsibility for loss occasioned by any person acting/refraining from action as a result of this information can be accepted by the authors or firm.

## Selected Rates

|   | 2021/22  | 2020/21  |
|---|----------|----------|
| <b>Weekly benefit</b>   | <b>£</b> | <b>£</b> |
| <b>Basic State Pension</b>  | 137.60   | 134.25   |
| <b>New State Pension</b>  | 179.60   | 175.20   |
| <b>Statutory pay standard rates</b> - average weekly earnings £120 (£120) or over |          |          |
| Sick Pay  | 96.35    | 95.85    |
| Maternity/Adoption Pay  | 151.97   | 151.20   |
| Shared Parental Pay   | 151.97   | 151.20   |
| Paternity Pay   | 151.97   | 151.20   |

## National Living Wage and National Minimum Wage

| Age               | NLW   | 21-22 | 18-20 | 16-17 | Apprentices |
|-------------------|-------|-------|-------|-------|-------------|
| From 1 April 2021 | £8.91 | £8.36 | £6.56 | £4.62 | £4.30       |

*Applies to apprentices under 19, or 19 and over in the first year of apprenticeship.*

*NLW applies to those aged 23 and over.*

## Stamp Duty Land Tax

Land and buildings in England and N. Ireland. Residential rates may be increased by 3% where further residential properties are acquired.

| Residential (£)     | Rate (%) | Non-residential (£) | Rate (%) |
|---------------------|----------|---------------------|----------|
| 0 - 500,000*        | 0        | 0 - 150,000         | 0        |
| *500,001 - 925,000  | 5        | 150,001 - 250,000   | 2        |
| 925,001 - 1,500,000 | 10       | Over 250,000        | 5        |
| Over 1,500,000      | 12       |                     |          |

*\*£250,000 from 1 July 2021. From 1 October 2021, 0% up to £125,000, 2% from £125,001 - £250,000 and 5% from £250,001 - £925,000.*