

# 2017 THE SPRING BUDGET



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This Summary covers the key tax changes announced in the Chancellor's speech and includes tables of the main rates and allowances.

At the back of the Summary you will find a calendar of the tax year with important deadline dates shown.

We recommend that you review your financial plans regularly as some aspects of the Budget will not be implemented until later dates.

We will, of course, be happy to discuss with you any of the points covered in this report, and help you adapt and reassess your plans in the light of any legislative changes.



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## The last Spring Budget

In December, Philip Hammond announced a change to the tax timetable: after March 2017, there will be just one annual Autumn Budget covering tax and spending. He started his March speech by recalling that one of his predecessors had made a similar decision 24 years ago, and joked that Norman Lamont had been sacked shortly afterwards. He did not dwell on the fact that Mr Lamont was overtaken by the financial turmoil caused by Britain leaving the European Exchange Rate Mechanism, which might have suggested uncomfortable possible parallels. Rather, he declared that the economy is in a robust condition, a strong and stable platform for Brexit negotiations.

The Chancellor was keen to show that he listens. In response to a clamour for action on social care for the elderly, he allocated £2 billion over three years. In response to protests that the new system requiring small businesses to make quarterly online tax reports was being brought in too quickly, he delayed it by a year for those with turnover below £85,000. And in response to complaints from many small businesses that the April 2017 rates revaluation would put up their costs sharply, he provided some transitional reliefs.

In keeping with Mr Hammond's low-key image, there were few announcements worthy of a headline – but one in particular is likely to be debated keenly. In the 2015 Conservative manifesto, they said: 'we can commit to no increases in VAT, Income Tax or National Insurance'. In his speech, Mr Hammond explained that self employed people now enjoy the same State pension entitlements as employees, so the much lower National Insurance Contributions (NIC) they pay are an unfair advantage. The 1% increases to self employed Class 4 NIC to come in April 2018 and April 2019 do appear to go against the manifesto commitment; Mr Hammond will no doubt respond that 85% of NIC payers are employees, the self employed have enjoyed a very significant advantage for a long time, the other category of self employed NIC (Class 2) is being abolished, and the self employed will still pay much less than employees. Even so, the measure sits unhappily in the same speech as an announcement that the Government will take steps to protect consumers from unfair small print in contracts.

When the Chancellor sits down, a great deal of small print is released by HMRC on the internet. We have summarised the main points in the pages that follow, and will be happy to discuss their impact on you and your finances.

## Significant points

- Few new announcements: most rates and allowances confirmed as expected
- Important measures already announced taking effect from April 2017: income tax allowances for trading and property income, restrictions on interest relief for buy-to-let, changes to foreign domiciled status, cut in Corporation Tax rate to 19%
- Increase in ISA investment limit and introduction of new 'Lifetime ISA' from April 2017
- Some transitional help for small businesses suffering from increases under business rates revaluation
- Delay on requirement for smaller businesses to make quarterly online reports to HMRC from April 2018 to April 2019, but 'Making Tax Digital' not otherwise delayed
- Threshold for simplified 'cash basis' for income tax accounts raised to £150,000 for 2017/18 and extended to landlords as well as traders
- Advantages of VAT Flat Rate Scheme likely to be removed for many traders covered by 'limited cost trader' rules from 1 April 2017
- Increases in Class 4 National Insurance Contributions for self employed to come in April 2018 and April 2019
- Decrease in nil rate band for dividend income from £5,000 to £2,000 in April 2018

# Personal Income Tax

## Tax rates and allowances (Table A)

As announced last year, the main tax-free personal allowance is increased to £11,500 (up from £11,000), and the basic rate applies to the next £33,500 of income (up from £32,000). This means that the threshold for 40% tax will be £45,000 for 2017/18 (except in Scotland). The Chancellor also confirmed the Government's intention to raise the personal allowance to £12,500, and the 40% threshold to £50,000, by the end of this Parliament.

There were no other significant changes to rates and allowances, which are now extremely complicated (see the Table on page 13). An individual's total tax liability on any given amount of income will vary considerably depending on the components of that income (for example, salary, profits, rent, interest, dividends). On a simple salary of £45,000, the Income Tax payable will be £500 less in 2017/18 than in 2016/17.

For the first time, the tax thresholds for Scottish taxpayers will be different from those who live in the rest of the UK: the personal allowance is £11,500 but the basic rate band is cut to £31,500, with the result that the higher rate threshold has been frozen at the 2016/17 level of £43,000. This potentially increases the tax liability of higher earners in Scotland by £400 (20% of £2,000) compared to residents elsewhere in the UK with the same income.

## Additional Income Tax allowances

As previously announced, from 6 April 2017, new allowances of £1,000 each will apply to trading and property income. The allowances can be deducted instead of actual expenses, so if the total income is less than the allowance, it will not be taxed. It will simplify the system for both taxpayers and HMRC if small amounts of income can legally be ignored, rather than requiring a tax return for a trivial liability. In 2017/18, a basic rate taxpayer will have separate tax-free allowances of £1,000 for rental income and self employed income, and nil rate bands of £1,000 for savings income (interest) and £5,000 for dividends, as well as the main personal allowance of £11,500 – potentially a total of £19,500 of income with no tax to pay. The separate 'rent a room' allowance for renting part of the taxpayer's main residence can cover a further £7,500.

The dividend nil rate band, introduced for the first time for 2016/17 at £5,000, will be reduced to £2,000 from April 2018. The rates of tax that apply to dividends above this figure are 7.5%, 32.5% and 38.1%, so this represents a tax increase in 2018/19 of up to £225, £975 or £1,143, depending on the level of other income.



## Tax-free childcare

New tax-free childcare accounts were announced in 2014 to replace the employer-provided childcare voucher scheme. Introduction has been delayed by legal disputes involving organisations involved in administering the existing scheme, but the new accounts will at last be introduced in April 2017 and rolled out to all eligible parents over the coming year. The rules are complex, but where both parents work and earn at least £115 per week (but neither earns more than £100,000 per year), they will be able to put up to £8,000 a year into an account which the Government will top up with 25p for every £1 contributed by the parents. This account can only be used to pay for childcare.

## National Insurance Contributions

### Thresholds and rates (Table D)

From 6 April 2017, the National Insurance Contributions (NIC) thresholds for employers and employees are to be made consistent at £157 per week (from £155 for employees, £156 for employers). Failing to increase the employers' threshold by the usual amount will increase the amount payable, but unifying the amounts should simplify administration.

The Upper Earnings Limit will also increase to £45,000 in line with the threshold for 40% Income Tax. This means that a further £2,000 of salary will be subject to 12% employee's NIC rather than 2%, and a further £2,000 of self employed profits will be subject to 9% Class 4 NIC rather than 2%. These increases (£200 and £140) offset the reduction in Income Tax from raising the threshold.

### Future changes

Class 2 NIC is to be abolished from April 2018. A self employed person's entitlement to State pension will in future depend on payment of Class 4 (profit based) or Class 3 (voluntary).

The Chancellor noted that the new pension rules provide the same benefits to self employed people and employees. In his view, this makes unfair the much higher NIC charges on employees (where employee and employer both pay, at main rates of 12% and 13.8%) compared to those paid by self employed people (where Class 4 is charged at a main rate of 9%). For this reason, the main rate of Class 4, which applies between the lower threshold and the upper earnings limit, will increase from 9% to 10% in April 2018 and to 11% in April 2019. This will lead to an increase of about £370 in each year for someone earning above the upper earnings limit, but the NIC charge will still be much lower than for employees.

From April 2018, the Government will remove NIC from the effects of the Limitation Act 1980. This will align the time limits and recovery process for enforcing NIC debts with other taxes, and appears to be related to measures to collect tax on loans made in the past to beneficiaries of employee benefit trusts.





# Employees

## Salary sacrifice

Employees and employers have been able to gain a tax advantage from the different tax treatments of cash salary and benefits in kind. A 'salary sacrifice' scheme involves replacing cash salary with a benefit that is more advantageously taxed, resulting in a saving where such a benefit would otherwise have been purchased from after-tax cash pay. These tax and NIC advantages are to be withdrawn from 6 April 2017. Arrangements involving pensions, childcare, Cycle to Work and ultra-low emission cars will retain their advantages. Existing arrangements will be protected for a transitional period until the earlier of revision or renewal of the contract or 6 April 2018, and existing arrangements for cars, accommodation and school fees will be protected until April 2021.

## Making good

An employee who repays to their employer, or 'makes good', the cost of a benefit, avoids a tax charge. As previously announced, for benefits provided in tax year 2017/18, such making good will have to take place by 6 July in the following tax year (i.e. 6 July 2018) to cancel the tax charge.

## 'Off payroll' and disguised remuneration

HMRC has been concerned about individuals working through Personal Service Companies (PSC) and similar arrangements for two decades: they regard this as a way of avoiding PAYE and Class 1 NIC where 'in reality' (in HMRC's view) the individual is acting as an employee. Several different attempts have been made over the years to counter this, generally imposing a liability on the PSC to account for tax on its income as if it were received by an employee (with a 5% deduction to allow for expenses). From 6 April 2017, where the individual behind the PSC works in the public sector, the responsibility for paying this tax will be transferred to the person paying the PSC. The 5% deduction will not apply in these circumstances, but genuine employment expenses can be taken into account.

Further measures are also being introduced to counter disguised remuneration schemes used by self employed people, and employers will be discouraged from contributing to such schemes by being denied a deduction for the expense unless tax and NIC are paid within a specified period. Some of these changes apply from April 2017, some from Royal Assent to the Finance Act 2017, while some are subject to consultation for later implementation.



## Company cars (Table C)

There was nothing in this Budget about the taxation of company cars, which means that the significant changes announced last year will take effect. Most drivers of company cars will see increases in their taxable benefits.

## Termination payments

As announced last year, from April 2018 termination payments over £30,000, which are subject to Income Tax, will also be subject to employer's NIC. Payments in lieu of notice will also become subject to tax in all circumstances, rather than potentially qualifying for the £30,000 exemption. The first £30,000 of a genuine termination payment will remain exempt from tax and NIC.

## Savings and Pensions

### ISA limits

From 6 April 2017, the ISA investment limit rises from £15,240 to £20,000 per year. The limit for Junior ISAs and Child Trust Funds increases from £4,080 to £4,128.

From the same date, the new Lifetime ISA (LISA) is introduced: taxpayers aged between 18 and 40 may open an account and invest up to £4,000 each year in an ISA, qualifying for a 25% Government bonus on amounts invested up to the age of 50. This benefit is retained as long as the money is either put towards a first home costing up to £450,000, or kept in the account until reaching age 60 or being diagnosed with a terminal illness. If the money is withdrawn in other circumstances, the bonus will be clawed back with an additional 5% charge. The £4,000 is part of the general ISA limit of £20,000, not additional to it. An existing 'Help to Buy' ISA account can be transferred into a LISA during 2017/18 without affecting the limits.

### Pension contributions (Table B)

The limit on contributions to tax-advantaged pension schemes remains £40,000 per year for those with income up to £150,000 (£110,000 if the pension contribution is paid in addition to salary by an employer). The limit is tapered away as income increases above £150,000 to £10,000 when income reaches £210,000.

The pension reforms introduced from April 2015 allow people over 55 to access their pension pots. Those who have done so and taken 'flexible income drawdown' – more than the tax-free 25% of the pot – are subject to a lower annual limit if they decide to make further pension contributions. This has been £10,000 for the first two years of the new system, but falls to £4,000 from 6 April 2017.



## Tax-advantaged venture capital schemes

The Enterprise Investment Scheme (EIS), Seed Enterprise Investment Scheme (SEIS) and Venture Capital Trusts (VCTs) offer a range of tax advantages for investment in companies, but are subject to a bewildering range of conditions and rules. As announced in November 2016, the requirements are to be amended to clarify the rules on share conversions and to provide additional flexibility for follow-on investments by VCTs. HMRC has also consulted on ways to streamline and prioritise the advance assurance service to help genuine investors know that they will qualify for the relief.

## Life insurance policies

Single premium life insurance policies are generally charged to Income Tax when they are encashed at a profit, rather than Capital Gains Tax. A tax case highlighted an anomaly in the rules for partial surrenders, which could create a tax charge out of all proportion to the real underlying gain in the value of the whole policy. From Royal Assent to the Finance Act 2017, it will be possible for people affected by these anomalies to apply for the gain to be recalculated on a just and reasonable basis.

## Capital Gains Tax

### Rates

The annual exempt amount rises for 2017/18 from £11,100 to £11,300. The rates of tax are unchanged at 10% (total income and gains within the taxpayer's basic rate limit) or 20% (gains above the basic rate limit) on assets in general, but 18% or 28% on residential property that is not eligible for the main residence exemption.

Most trusts enjoy half the annual exempt amount (£5,650) and pay tax at 20% or 28% on chargeable gains.

No other changes were announced to CGT.

## Inheritance Tax

### Rates

As previously announced, the nil rate band remains frozen at £325,000 until the end of 2020/21. The 'residential enhancement', announced in the Summer 2015 Budget, begins to take effect for death transfers from 6 April 2017. This will apply an additional nil rate band, initially £100,000 and rising to £175,000 by 2020/21, where a taxpayer's main residence is left to direct descendants. A married couple will potentially then be able to leave £1 million free of IHT to their descendants (£325,000 plus £175,000 from each parent), but the rules are complicated and their operation is untested.





## Business Tax

### Corporation Tax rates

The Chancellor confirmed the Corporation Tax rates previously announced: 19% for three years from 1 April 2017, then 17% from 1 April 2020.

### Business rates

The Chancellor responded to widespread protests that the business rates revaluation exercise coming into effect in April 2017 will lead to very significant increases for many small businesses. Although the Government has responded that the overall effect of the revaluation is revenue neutral, and there are 'more winners than losers', the Chancellor has made money available to relieve the pain for many of those who would suffer sharp increases. Three measures were announced:

- For small businesses losing Small Business Rate Relief, limiting increases in their bills to the greater of £600 per year or a set 'real terms transitional relief cap'.
- Providing English local authorities with funding to support £300 million of discretionary relief, to allow them to provide support to individual hardship cases in their local area.
- Introducing a £1,000 business rate discount for pubs with a rateable value of up to £100,000, subject to State aid limits for businesses with multiple properties, for one year from 1 April 2017.

The system of revaluations will be considered in more detail before the next exercise that is due to take place in 2022.

### Cash basis

Smaller income tax traders are permitted to use a simplified 'cash basis' to compute their taxable profits, rather than 'accruals accounting'. This has been based on the VAT registration threshold (£83,000 during 2016/17), but for 2017/18 entry to the scheme will be allowed for Income Tax businesses with turnover up to £150,000 (£300,000 for Universal Credit claimants). The exit threshold will be increased to £300,000.

The Finance Act 2017 will also legislate for a simple list of disallowed expenditure for traders using the cash basis and to clarify the rules for moving between the cash basis and accruals accounting. For 2017/18, traders will be able to compute their profits using either the old or the new rules.

### Reform of tax reliefs

From April 2017, there will be significant changes to the corporate tax reliefs for interest payments and for losses brought forward. There will be



a restriction on interest deductions for large groups, which have net interest expense of more than £2 million, net interest expense of more than 30% of UK taxable earnings, and a UK net interest to earnings ratio that is greater than that of the worldwide group.

From the same date, companies and groups with profits over £5 million will suffer a restriction on the amount of profits that can be offset by brought forward losses. Only 50% of current profits will be eligible for relief. On the other hand, all companies and groups will enjoy greater flexibility in offsetting losses brought forward arising from 1 April 2017: these will be useable against profits from different types of income and profits of other group companies.

## Substantial Shareholding Exemption

From 1 April 2017, the exemption from Corporation Tax for certain disposals of at least 10% shareholdings in other companies will be simplified, removing the requirement that the investing company carries on a trade and providing a more comprehensive exemption for companies owned by qualifying institutional investors.

## Appropriations to trading stock

Companies with capital assets standing at a loss have been able to convert that loss to a revenue item, eligible for more flexible tax relief, by transferring the asset to trading stock and making a tax election. From 8 March 2017, this election will only be available where the result is a trading profit. An asset standing at a loss must be appropriated at market value, creating a capital loss for tax purposes.

## VAT

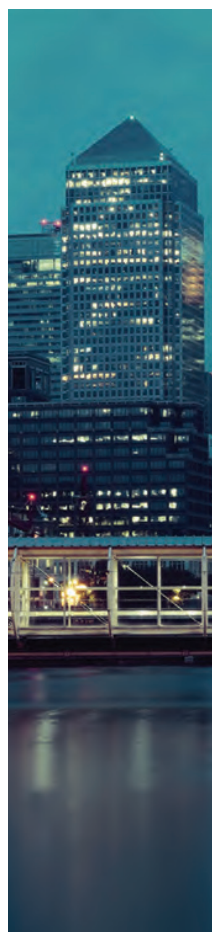
### Registration threshold

A business has to consider the level of taxable supplies it has made in the last 12 months at the end of each month, and must register for VAT if it has exceeded the registration threshold. It must also register at any time if it has reason to believe that the threshold will be exceeded in the next 30 days on their own. The threshold rises from £83,000 to £85,000 on 1 April 2017.

A business may deregister if it can satisfy HMRC that taxable supplies in the next 12 months will not exceed a lower 'deregistration threshold'. This also rises from £81,000 to £83,000 on 1 April 2017.

### Flat Rate Scheme

Small businesses with turnover up to £150,000 can register for the VAT Flat Rate Scheme (FRS). This is a simplification: they claim no input tax on their



expenses, but keep some of the output tax they charge to customers in order to compensate for this. The amount they keep depends on the type of business.

HMRC has identified 'aggressive abuse' of the scheme by employment intermediaries setting up multiple small companies, and has decided this has to be closed down. Unfortunately, this will also negate the benefit of the scheme for many genuine businesses.

From 1 April 2017, a new flat rate of 16.5% applies to 'limited cost traders'. These are businesses that spend less than 2% of their turnover, or less than £1,000 per year, on goods (excluding capital goods, food for own or employees' consumption, and vehicles and fuel unless a transport business).

As the output tax collected from customers cannot exceed 16.67% of gross taxable receipts, the benefit of the FRS for a limited cost trader – accounting for 16.5% rather than claiming input tax – will be very small at best, and most such traders will find the benefit has become a cost. HMRC has promised to write to every FRS-registered trader to outline the changes. It is essential for all those businesses to understand the impact of these changes – those who fall within the definition of a limited cost trader will almost certainly be better off returning to the normal VAT system with effect from 1 April.

## Property

### Buy-to-let

The changes to taxation of let property, announced in 2015, start to be phased in from April 2017. Tax relief for interest paid will be restricted to basic rate rather than the taxpayer's marginal Income Tax rate, with potentially substantial disadvantages for landlords who have borrowed to buy their properties. For 2017/18, 25% of the interest will be relieved at basic rate; the remaining 75% will be deducted from income as in the past and relieved at marginal rate. By 2020/21, all the interest will be restricted to basic rate relief only.

### Offshore property developers

The Finance Act 2016 made changes to charge UK Income Tax or Corporation Tax on all profits from developments of land in the UK, regardless of the residence status of the developer. The change took effect from 5 July 2016, but with a transitional exemption for transactions where a contract for disposal was entered into before that date. The Government has now realised that some development contracts are signed at a very early stage in the project, and has made an amendment to ensure that the transitional protection does not apply more widely than intended. All profits from dealing in or developing land in the UK, that are recognised in the developer's accounts on or after 8 March 2017, will be subject to UK tax. This will be the case even if the contract for disposal was entered into prior to 5 July 2016.



## Cash basis

A simplified 'cash basis' has been available to Income Tax traders for several years. For 2017/18 a modified version of this will be extended to landlords subject to Income Tax as well. Entry to the cash basis will be permitted with turnover up to £150,000, which will also be the exit threshold.

## Stamp Duty Land Tax

The Government consulted during 2016 on a proposal to reduce the filing and payment deadline for Stamp Duty Land Tax (SDLT) from 30 days after a transaction to 14 days. It has been decided to delay this until after April 2018. No other announcements were made about SDLT.

## Foreign Domiciled People

As previously announced, there are significant reforms of the tax treatment of foreign domiciled people from April 2017. Those who have been resident in the UK for 15 of the previous 20 years will lose their foreign domiciled status and will be taxed in the same way as UK domiciled individuals. People born in the UK with a UK domicile, who have acquired a foreign domicile of choice, will be treated as UK domiciled again if they subsequently become UK resident.

In addition, UK residential property held by a foreign domiciled individual through offshore structures becomes chargeable to Inheritance Tax. However, a foreign domiciled person who sets up a foreign resident trust before becoming deemed UK domiciled can use that structure to shelter gains and income from UK tax.

## Tax Administration

### Making Tax Digital

'Making Tax Digital' (MTD) is a planned reform of the administration of tax that will replace the annual tax return system with online quarterly reporting. This will have a huge impact on taxpayers and on HMRC. According to the original Government plan, it was to apply to nearly all individual landlords and self employed people from 6 April 2018.

The Chancellor has responded to a great many objections that it would not be possible to introduce such a major change in such a short time and with so little testing: only those self employed businesses and landlords with turnover greater than the VAT registration threshold (£85,000 for 2017/18) will be required to make quarterly online reports for Income Tax purposes from April 2018.





The new plan is for all those with turnover above £10,000 to be brought within MTD for Income Tax for 2019/20, and also for MTD to apply to VAT reporting by VAT-registered traders at the same time. Corporation Tax is to be brought into the system from April 2020.

## Avoidance and evasion

As usual, the Chancellor announced a number of measures to 'strengthen tax avoidance sanctions and deterrents'. These include a new penalty for people who enable the use of tax avoidance arrangements that are later defeated by HMRC, revisions to penalties for participating in VAT fraud, and requirements for those with undeclared offshore income or gains to put their affairs in order or face harsher penalties from October 2018.

## Hidden economy

Following consultation and an announcement in the Autumn Statement, the Government will develop further proposals on 'conditionality' – making access to licences or services (such as water or power) for businesses conditional on those businesses being registered for tax. This is considered a good way to tackle the hidden economy. The Government recognises that conditionality must also minimise burdens for compliant businesses and providers of the relevant licences or services.

Further proposals include stronger 'failure to notify liability' penalties and increased monitoring of taxpayers found to be operating in the hidden economy to keep them compliant. An implementation date for these proposals has not been given.



## Income Tax Rates and Allowances (Table A)

Main allowances	2017/18	2016/17
Personal Allowance (PA)*†	£11,500	£11,000
Blind Person's Allowance	2,320	2,290
Rent a room relief §	7,500	7,500
Trading income §	1,000	N/A
Property income §	1,000	N/A

\*PA will be withdrawn at £1 for every £2 by which 'adjusted income' exceeds £100,000. There will therefore be no allowance given if adjusted income is £123,000 or more (2016/17: £122,000).

†10% of the PA (2017/18: £1,150; 2016/17: £1,100) can be transferred to a spouse or civil partner who is no more than a basic rate taxpayer, where both spouses were born after 5 April 1935.

§ If gross income exceeds it, the limit may be deducted instead of actual expenses.

Rate Bands	2017/18	2016/17
Basic rate band (BRB)	£33,500	£32,000
Higher rate band (HRB)	33,501-150,000	32,001-150,000
Additional rate	over 150,000	over 150,000
Scottish taxpayers		
– BRB	31,500	32,000
– HRB	31,501-150,000	32,001-150,000
Personal Savings Allowance (PSA)*		
– Basic rate taxpayer	1,000	1,000
– Higher rate taxpayer	500	500
Dividend Nil Rate Band (DNRB)†	5,000	5,000

BRB and additional rate threshold are increased by personal pension contributions (up to permitted limit) and Gift Aid donations.

Tax Rates	2017/18 and 2016/17		
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Rates differ for General, Savings and Dividend income within each band:

	G	S	D
Basic	20%	20%	7.5%
Higher	40%	40%	32.5%
Additional	45%	45%	38.1%

General income (salary, pensions, business profits, rent) usually uses personal allowance, basic rate and higher rate bands before savings income (interest). To the extent that savings income falls in the first £5,000 of the basic rate band, it is taxed at nil rather than 20%.

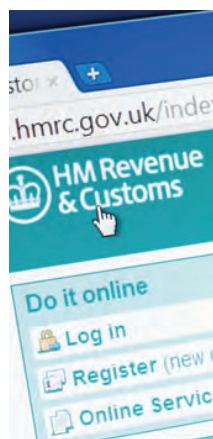
\*The PSA will tax interest at nil, where it would otherwise be taxable at 20% or 40%.

†Dividends are normally taxed as the 'top slice' of income. The DNRB taxes the first £5,000 of dividend income at nil, rather than the rate that would otherwise apply.

### High Income Child Benefit Charge (HICBC)

1% of child benefit for each £100 of adjusted net income between £50,000 and £60,000.

Remittance basis charge	2017/18	2016/17
For non-UK domiciled individuals who have been UK resident in at least:		
7 of the preceding 9 tax years	£30,000	£30,000
12 of the preceding 14 tax years	60,000	60,000
17 of the preceding 20 tax years	N/A	90,000



## Registered Pensions (Table B)

	2017/18	2016/17
Lifetime allowance (LA)	£1m	£1m
Annual allowance (AA)*	40,000	40,000

Annual relievable pension inputs are the higher of earnings (capped at AA) or £3,600.

\*The AA is usually reduced by £1 for every £2 by which relevant income exceeds £150,000, down to a minimum AA of £10,000. The AA can be reduced to £4,000, where certain pension drawings have been made.

## Car and Fuel Benefits (Table C)

### Cars

*Taxable benefit:* Chargeable value multiplied by chargeable percentage.

*Chargeable value:* Initial list price of car (including most accessories), reduced by any capital contribution (maximum £5,000) by employee when the car is first made available.

### Chargeable percentage:

CO <sub>2</sub> emissions (g/km)	Petrol	Diesel
0-50	9%	12%
51-75	13%	16%
76-94	17%	20%
Above 94	Add 1% for every 5g/km	
Above 189 (petrol)/174 (diesel)	37% maximum	

### Car Fuel

Where employer provides fuel for private motoring in an employer-owned car, CO<sub>2</sub>-based percentage from above table multiplied by £22,600 (2016/17 £22,200).

Employee contributions for fuel do not reduce taxable figure unless all private fuel is paid for by the employee (in which case there is no benefit charge).

## National Insurance Contributions (Table D)

Class 1 (Employees)	Employee	Employer
Main NIC rate	12%	13.8%
No NIC on first	£157pw	£157pw
Main rate* charged up to	£866pw	no limit
2% rate on earnings above	£866pw	N/A
Employment allowance per qualifying business	N/A	£3,000

\*Nil rate of employer NIC for employees under the age of 21 and apprentices under 25, up to £866pw.

Employer contributions (at 13.8%) are also due on most taxable benefits (Class 1A) and on tax paid on an employee's behalf under a PAYE settlement agreement (Class 1B).

### Class 2 (Self employed)

Flat rate per week	£2.85
Small profits threshold	£6,025

### Class 3 (Voluntary)

Flat rate per week	£14.25
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### Class 4 (Self employed)

On profits £8,164 – £45,000	9.0%
On profits over £45,000	2.0%



## April 2017

M	T	W	T	F	S	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

- 5 End of tax year. Cut-off for income and gains between 2016/17 and 2017/18.  
 19 Employers pay PAYE for quarter or month March 2017, cheque to reach accounts office.  
 19 Last day for final 2016/17 Employer Payment Summary to reach HMRC.  
 21 PAYE electronic payment deadline: funds to clear HMRC's bank account.

## June 2017

M	T	W	T	F	S	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

- 19 Employers pay PAYE for month May 2017.  
 22 PAYE electronic payment deadline.

## August 2017

M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

- 1 If 2015/16 tax return not filed, further £300 (or 5% of tax due, if higher) penalty.  
 2 Employers submit P46(car) form showing quarter's changes to company cars.  
 18 Employers pay PAYE for month July 2017.  
 22 PAYE electronic payment deadline.

## May 2017

M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

- 1 Commencement of £10 daily penalties for 2015/16 tax returns not filed.  
 3 Employers submit P46(car) form showing quarter's changes to company cars.  
 19 Employers pay PAYE for month April 2017.  
 22 PAYE electronic payment deadline.  
 31 Employers send 2016/17 P60 to employees.

## July 2017

M	T	W	T	F	S	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

- 31  
 6 Agree 2016/17 PAYE Settlement Agreement  
 6 Employers send P11D and annual share scheme returns to HMRC and P11D to employees.  
 19 Employers pay class 1A NIC for 2016/17.  
 19 Employers pay PAYE for quarter or month June 2017.  
 21 PAYE electronic payment deadline.  
 31 Deadline for payment of second instalment of 2016/17 self assessed tax on income.

## September 2017

M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

- 19 Employers pay PAYE for month August 2017.  
 22 PAYE electronic payment deadline.

## October 2017

M	T	W	T	F	S	S
						<b>1</b>
2	3	4	<b>5</b>	6	7	8
9	10	11	12	13	14	15
16	17	18	<b>19</b>	<b>20</b>	21	22
23	24	25	26	27	28	29
30	<b>31</b>					

- 1** Corporation Tax payday for companies with 31 December 2016 year-end.  
**5** Deadline for notifying HMRC if income tax or CGT is due for 2016/17 and no tax return received.  
**19** Employers pay PAYE for quarter or month September 2017 and 2016/17 PAYE Settlement Agreement liability.  
**20** PAYE electronic payment deadline.  
**31** Last day to file 2016/17 SA return on paper.

## December 2017

M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	<b>19</b>	20	21	<b>22</b>	23	24
25	26	27	28	29	<b>30</b>	<b>31</b>

- 19** Employers pay PAYE for month November 2017.  
**22** PAYE electronic payment deadline.  
**30** File 2016/17 SA return online to take advantage of coding out of income tax underpayments.  
**31** Corporation Tax filing deadline for companies with 31 December 2016 year-end.

## February 2018

M	T	W	T	F	S	S
			<b>1</b>	<b>2</b>	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
<b>19</b>	20	21	<b>22</b>	23	24	25
26	27	<b>28</b>				

- 1** If 2015/16 tax return not filed, a further penalty of £300 (or 5% of tax due, if higher)  
**2** Employers submit P46(car) form showing quarter's changes to company cars.  
**19** Employers pay PAYE for month January 2018.  
**22** PAYE electronic payment deadline.  
**28** Deadline for payment of balance of 2016/17 tax to avoid late payment penalty.

## November 2017

M	T	W	T	F	S	S
		1	<b>2</b>	3	4	5
6	7	8	9	10	11	12
13	14	15	16	<b>17</b>	18	19
20	21	<b>22</b>	23	24	25	26
27	28	29	30			

- 2** Employers submit P46(car) form showing quarter's changes to company cars.  
**17** Employers pay PAYE for month October 2017.  
**22** PAYE electronic payment deadline.

## January 2018

M	T	W	T	F	S	S
<b>1</b>	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	<b>19</b>	20	21
<b>22</b>	23	24	25	26	27	28
29	30	<b>31</b>				

- 1** Corporation Tax payday for companies with 31 March 2017 year-end.  
**19** Employers pay PAYE for quarter or month Dec 2016.  
**22** PAYE electronic payment deadline.  
**31** File 2016/17 income tax and CGT online return. Pay 2016/17 tax to avoid interest and first instalment of 2017/18 self assessed tax on income. Companies within IR35 to file Earlier Year Update for 2016/17.

## March 2018

M	T	W	T	F	S	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
<b>19</b>	20	21	<b>22</b>	23	24	25
26	27	28	29	30	<b>31</b>	

- 19** Employers pay PAYE for month February 2018.  
**22** PAYE electronic payment deadline.  
**31** Corporation Tax filing deadline for companies with 31 March 2017 year-end.

Electronic payments due on a weekend must be made on the previous working day unless "Faster Payments" is used.

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**Michael Leong and Company is the trading name for  
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