

Tax Tables Applying to CF1, CF2, CF3, CF4 and CF5

For study purposes only. Not to be taken into exam.

INCOME TAX

RATES OF TAX	2008/2009	2007/2008
Starting-rate	10%	10%
Income to which starting-rate applies	Savings	All
Basic-rate	20%	22%
Higher-rate	40%	40%
Starting-rate chargeable on taxable income not exceeding	£2,320*	£2,230
Threshold of taxable income above which higher rate applies	£34,800	£34,600

*only applicable where taxable non-savings income is under £2,320.

MAIN PERSONAL RELIEFS	2008/2009 £	2007/2008 £
Personal (basic)	6,035	5,225
Personal (age 65-74)	9,030	7,550
Personal (aged 75 and over)	9,180	7,690
Married/civil partners (minimum) at 10% †	2,540	2,440
Married/civil partners (age under 75) at 10% †	6,535	6,285
Married/civil partners (age 75 and over) at 10%	6,625	6,365
Age-related relief reduced by 50% of income over	21,800	20,900
Child Tax Credit (CTC)		
- family element	545	545
- family element baby addition	545	545
CTC usually reduced by 6.67% of joint income over	50,000	50,000
Blind person's allowance	1,800	1,730

† where at least one spouse/civil partner was born before 6 April 1935.

INHERITANCE TAX

RATES OF TAX ON DEATH	2008/2009
Transfers made after 5 April 2008	
- Up to £312,000 (from £300,000 in 2007/2008)	Nil
- Excess over £312,000	40%

MAIN EXEMPTIONS	£
Transfers to	
- UK-domiciled spouse/civil partner	No limit
- non-UK-domiciled spouse/civil partner (from UK domiciled spouse)	55,000
- UK-registered charities	No limit
Lifetime transfers	
- annual exemption per donor	3,000
- small gifts, annual amount per donee (but not available to cover part of a larger gift)	250
Wedding/civil partnership gifts	
- to child of donor	5,000
- to grandchild (or more remote issue) of donor	2,500
- to others	1,000



CAPITAL GAINS TAX

RATES OF TAX

Chargeable gains, less allowable losses, are charged to tax as follows:

- for individuals the rate chargeable is 18% (10%, 20% or 40% in 2007/2008).
- for trustees of trusts and personal representatives the rate chargeable is 18% (40% in 2007/2008).
- entrepreneurs' relief is available at an effective rate of 10% (4/9ths of the gain) and is subject to a lifetime limit of £1,000,000.

ANNUAL EXEMPTION

The annual exemption is £9,600 in 2008/2009 (£9,200 in 2007/2008).

Most trusts have an annual exemption of £4,800 in 2008/2009 (£4,600 in 2007/2008)

CHATELS EXEMPTION

Gains on chattels are exempt if proceeds do not exceed £6,000 per item.