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THE SPRING BUDGET 2010

BUDGET 24 MARCH 2010

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

Alongside our text we have included tips and traps which you may want to consider. At the back of the Summary you will find a notes page and a calendar of the tax year with important deadline dates shown.

We recommend that you review your financial plans throughout the year, as some aspects of the Budget will not be implemented until later in the tax year.

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.

CONTENTS

INTRODUCTION

The last Budget before an election raises as many questions as it answers. Will the Chancellor try to bribe the electorate? Is the electorate open to bribery? If the Government loses the election, will this Budget matter at all – will the incoming Chancellor change everything anyway?

We have Mr Darling's plans in some detail, but not the Opposition's. It seems likely that a Conservative Chancellor would make changes, but he would probably stick with most of the plans for the tax year 2010/11 because the election will not happen until the tax year has already started. It seems likely that whichever party wins, there will be a reappraisal of the government's finances soon afterwards.

There is no doubt that Mr Darling was in a difficult position when preparing this Budget. The country's finances are in a dire state, and he had to tread a tightrope between risking a return to recession on the one hand and appearing too lax for the financial markets on the other. Depending on the national vote, we may never find out if his answers were right. He repeatedly claimed in his speech that the current Government "made the right calls" in dealing with the recession, but his assurances may have been too little, too late.

As usual, the speech itself does not tell the full story. Many of the important details are hidden away in press releases issued by HM Revenue & Customs after the Chancellor sits down. This booklet summarises the main changes and outlines their likely effect on the average taxpayer – subject to the political uncertainties of a General Election!

Significant points

- New 50% rate of income tax in 2010/11 for income over £150,000
- Restriction of personal allowances in 2010/11 for income over £100,000
- Most other rates and allowances frozen at 2009/10 levels
- Increases in company car benefits, but cuts for ultra-green vehicles
- Two year holiday for Stamp Duty Land Tax for first-time buyers of homes bought for up to £250,000
- Inheritance Tax threshold frozen for five years
- Doubling of Annual Investment Allowance on plant to £100,000
- Business Payment Support Service likely to be extended

Personal tax

Tax rates and allowances (Table A)

Personal allowances and higher rate thresholds normally increase in line with inflation in the year to the previous September. As the retail prices index fell in the year to September 2009, the allowances and basic rate band for 2010/11 are frozen at their 2009/10 levels. This will represent a tax rise for those who enjoy an increase in their income over the previous year.

As previously announced, in 2010/11 personal allowances will be withdrawn for those with total income over £100,000. The basic allowance of £6,475 will be reduced by £1 for every £2 of the excess, until it is reduced to zero at £112,950. For someone with income above this level, the loss of 40% tax relief is a tax increase of £2,590 for the year. The effective marginal rate of tax in the band from £100,000 to £112,950 is typically 60%.

For 2010/11, a new "additional" income tax rate of 50% will apply to income above £150,000. The last time the top rate was above 40% was in 1987/88, when high earners paid tax at 60%. The additional rate on dividend income will be 42.5% – after deduction of the 10% tax credit, an investor with this level of income will have to pay additional tax amounting to 36.1% of the net amount.

TAX TIP

Last chance to advance taxable income into 2009/10 to pay less in tax, even if it is due earlier.

Tax Credits

Rates of credit

Some of the rates of Working Tax Credit (WTC) and Child Tax Credit (CTC) have been increased for 2010/11 by small amounts, but some of the key elements have not: for example there is no change to the "family element" of £545 which is available to couples with children and combined income up to £50,000, or to the childcare element of the WTC which can cover 80% of childcare costs of up to £300 per week. The full table of rates is too large and complex for this brief summary.

National Insurance Contributions

Rates and limits (Table D)

The percentage rates of NIC and most of the thresholds remain unchanged. There is a £2pw increase in the "lower earnings limit" to £97pw. Pay above this level has to be reported under the PAYE system and qualifies the recipient for benefits, but no NIC become payable until earnings reach the "primary threshold" of £110pw.

Last year the Chancellor announced further increases in NIC for both employers and employees, but these are not due to come into effect until 6 April 2011. The current intention is that 1% will be added to the rates of employee, employer and self-employed contributions. The primary threshold will be increased in order to compensate those on lower earnings. Only people earning £20,000 or more should pay more in NIC as a result of these increases.

Employees

Company cars and fuel (Table C)

The taxable benefit on most company cars is calculated using a percentage of the original list price. The percentage depends on the car's level of CO_2 emissions. The tax charges have been used in recent years as an incentive for employers and individuals to choose "greener" cars, by increasing the rates on higher emissions and introducing new lower rates for lower emissions. This has resulted in taxable benefits changing from year to year even though an employee keeps the same car.

For 2010/11, the following rules remain the same:

- The maximum percentage is 35% for petrol or diesel cars
- For diesels, 3% is added to the percentage for a petrol car with the same emissions, subject to the 35% maximum
- Once a set figure is reached – this has been lowered year by year to increase the "green" incentive – the percentage is increased by one point for every complete 5g/km increase in the CO_2 rating

The following changes apply from 6 April 2010:

- Electric cars, which cannot emit CO_2 at all, will not create a chargeable benefit for five years (to 2014/15)
- Cars with a rating up to 75g/km will be charged on 5% of the list price (8% for diesels) for the same five years
- Cars with a rating from 76g/km to 120g/km will continue to be charged on 10%/13%
- Above 120g/km, the basic charge is 15% (18% diesel), but the threshold for 1% increases falls from 135g/km to 130g/km – so the additions begin at 135 (16%/19%), 140, 145 etc. rather than at 140, 145, 150 etc.
- The maximum charge (35%) applies at 230g/km (petrol) or 215g/km (diesel)

The lowering of the threshold will increase the tax charge by a small amount for most drivers – those with cars rated between 135g/km and 234g/km.

There is a more significant increase in the tax charge on the benefit of free fuel provided by an employer for private motoring in a company car. The same percentage rate applies as for the car benefit itself, but the fixed figure it is multiplied by rises from £16,900 to £18,000. The taxable benefit on a petrol car with a 130g/km rating has therefore risen from £2,535 to £2,700, and the maximum benefit has risen from £5,915 to £6,300 (a 6.5% increase).

TAX TIP

Consider the tax charges when choosing a company car.

Savings

Pension contributions (Table B)

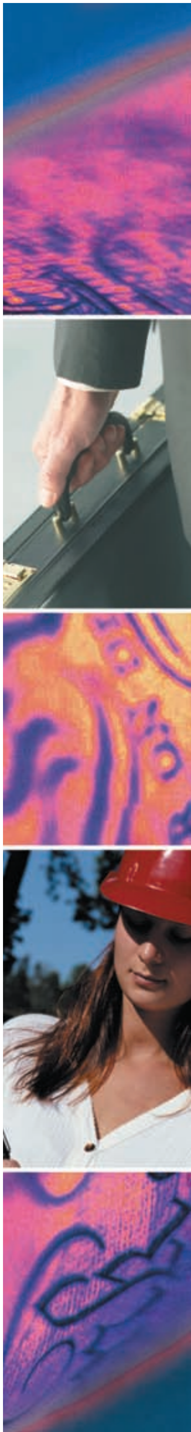
According to rules announced in 2006, the maximum amount of a tax-efficient pension fund from which benefits are drawn in 2010/11 is £1.8m. If an employee or self-employed person contributes personally, tax relief will be available on a payment of up to 100% of current year earnings to the maximum of £255,000. The maximum employer contribution to a pension fund that will enjoy tax relief is £255,000, less any amount put in by the individual.

However, the Chancellor announced in 2009 that pension relief would be restricted from 2011/12 for those earning over £150,000pa. In order to stop those affected advancing their pension contributions to beat the change, "anti-forestalling rules" were introduced. These are complicated, but in essence they can apply to anyone who earns over £130,000, if they pay contributions of more than £20,000 in 2009/10 or 2010/11, unless they had contracted to pay contributions at that level before the new rules were announced. Anyone who thinks they might be affected should take advice before paying extra contributions.

This Budget also included more details of how the relief will be restricted for high earners from 6 April 2011 onwards. Someone with total income of £150,000 (before deduction of pension contributions) will enjoy 40% tax relief on their contributions; someone with total income of £180,000 or more will only enjoy relief at the basic rate (currently 20%). In between these levels there will be a proportional withdrawal of the marginal rate relief.

TAX TRAP

Review pension contributions but watch the anti-avoidance rules.



Individual Savings Accounts (ISAs)

As announced last year, the investment limit for ISAs rises on 6 April 2010 to £10,200 a year (with no more than £5,100 in a cash ISA). The limit rose to the higher figure on 6 October 2009 for those aged 50 and over by 5 April 2010.

The Chancellor announced that the limit will increase in line with inflation in future years. The measure of inflation will be the annual increase in the retail prices index to the previous September (e.g. September 2010 for 2011/12), and the result will be rounded to the nearest multiple of £120 to make monthly savings plans easier to operate.

Capital Gains Tax

Annual exemption and rate

The annual exemption for individuals is £10,100 for 2010/11 (unchanged from 2009/10). Trustees receive half this figure (£5,050, also unchanged), although this may be shared between trusts which have been set up by the same person.

There is no immediate change to the main rate of CGT, which remains 18%. Many commentators predict that the rate will increase in a future Budget: it is so much lower than the new highest income tax rate (50%) that it will encourage attempts to convert income into capital gains.

Entrepreneurs' Relief (ER)

ER reduces the amount chargeable to CGT on certain sales of business interests and business assets by individuals and some trusts. The effect of the relief has been to cut the rate of CGT from 18% to 10% on the first £1m of qualifying gains over the individual's lifetime. This lifetime limit is raised to £2m for disposals on or after 6 April 2010.

Where disposals have already exceeded the limit before that date, the excess will not qualify for the relief, but the individual will be able to claim ER on another £1m of gains realised in future.

Furnished Holiday Letting (FHL)

As announced last year, the tax advantages of FHL businesses will be withdrawn with effect from 6 April 2010. Income from FHL will be treated in the same way as income from other property rents. This means there will be less advantageous offset of losses and a number of CGT reliefs will no longer be available. However, it appears that Entrepreneurs' Relief will apply to disposals of a FHL property within 3 years of 5 April 2010, potentially reducing the effective rate of CGT on up to £2m of gains from 18% to 10%.

Inheritance Tax

Rates and threshold

The nil rate band for transfers after 5 April 2010 was intended to rise from £325,000 to £350,000, as announced in 2007. In the Pre-Budget Report Mr Darling decided that the threshold would be held at £325,000 for the next year. Now he has announced that this limit will apply up to and including 2014/15, bringing more estates into the charge to tax, year by year, if property values increase.

Rates of tax remain unchanged at 40% (death transfers) and 20% (lifetime chargeable transfers).

TAX TRAP

IHT will be a problem for more people – plan sooner rather than later.

Stamp Duty/Stamp Duty Land Tax

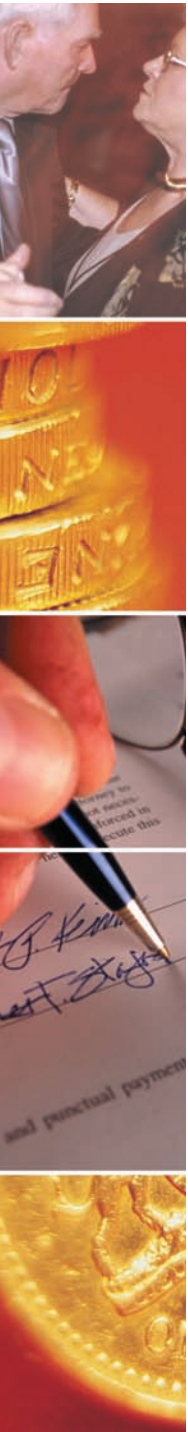
First time buyers and expensive properties

From midnight on Budget Day, relief from Stamp Duty Land Tax will be available for first-time buyers buying a property for up to £250,000. To qualify, the purchaser must intend to occupy the property as their only or main home, so it will not benefit buy-to-let investors. On other transactions the whole consideration paid on properties purchased for between £125,000 and £250,000 is charged to SDLT at 1%, so this relief is worth up to £2,500.

To pay for this, the rate of SDLT on properties sold for more than £1m will rise from 4% to 5% for transfers on or after 6 April 2011. On a property just over the £1m limit, this will increase the tax by £10,000. SDLT is paid by the purchaser of a property, but it is likely to depress the price that a seller can charge.

TAX TIP

If you are buying or selling a property, watch the SDLT limits



Corporation Tax

Rates of tax

The main rate of Corporation Tax (for companies with profits over £1.5m) remains 28%, as it has been since 1 April 2008. The rate for the year commencing 1 April 2011 has also been confirmed at 28%.

The small companies rate (for companies with profits up to £300,000) was originally intended to rise from 21% to 22% from 1 April 2009, but this has now been deferred twice to 1 April 2011. The rate, and the marginal relief for profits between £300,000 and £1.5m, remain unchanged.

Loans to participators

Where a closely-controlled company makes a loan to one of its participators (usually a shareholder), it is required to "loan" one-quarter of the amount to HM Revenue & Customs. This is repaid to the company if the loan is repaid by the participator or is written off. If the loan is written off, the participator pays income tax as if the write-off was a dividend. It has been suggested that tax law allowed the company to deduct such a write-off as a corporation tax expense – not normally possible for a dividend – but the law has been tightened up in the Budget with effect from 24 March 2010.

Business Tax

Capital allowances

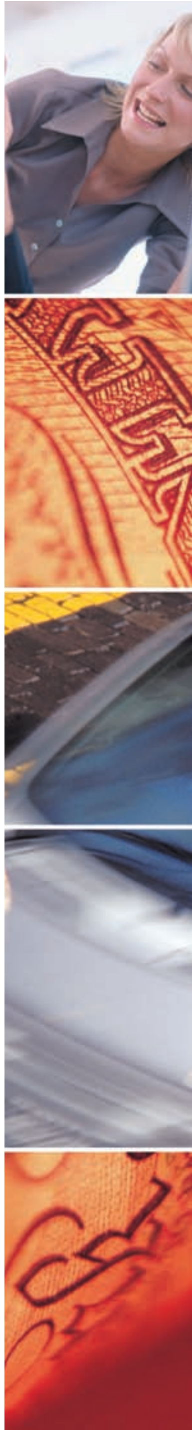
Traders can claim 100% relief in the year of expenditure on plant and machinery up to the Annual Investment Allowance (AIA). Up to 31 March 2010 (companies) or 5 April 2010 (income tax traders), the AIA has been £50,000. From 1 April 2010/6 April 2010, it is increased to £100,000, allowing earlier relief for capital expenditure.

There are complicated rules to calculate the amount qualifying for AIA where a trader's accounting period straddles 31 March/5 April.

For the year to 31 March 2010 (companies) or 5 April 2010 (income tax traders), first year allowances at 40% have been available on expenditure on some plant and machinery that does not already qualify for the 100% AIA. This has benefited those who spend more than £50,000 a year on plant. The FYA has not been extended into the next year, so expenditure above £100,000 will only qualify for 20% or 10% writing down allowances.

TAX TIP

Consider timing of plant purchases to maximise the allowances.



Enhanced capital allowances

100% allowances are available for "green" plant which appears on lists published by the Department of Energy and Climate Change and the Department for Environment, Food and Rural Affairs. Minor changes to the lists will take effect in Summer 2010 and will be published on the Departmental websites. Permanent magnet synchronous motors and biomass-fired warm air heaters will be included, while compact heat exchangers and liquid pressure amplification will be excluded. 100% allowances will also be available for five years from 1 April 2010 (companies) or 6 April 2010 (income tax traders) for expenditure on new and unused electric goods vehicles.

Value Added Tax

Registration threshold

From 1 April 2010, the level of taxable turnover at which a business is required to register for VAT increases by £2,000 to £70,000. The level of predicted future turnover at which a business can deregister also rises by £2,000 to £68,000.

Fuel scale rates

Since 1 May 2007, the scale rate which must be applied by a business which provides fuel for its employees to use for their private motoring has depended on the CO_2 emissions rating of the car. The charge is not the result of a simple formula as for the income tax charge, and individual figures have to be looked up in a table published on the HMRC website (www.hmrc.gov.uk) or elsewhere. A new table of rates applies for VAT return periods commencing from 1 May 2010 onwards, representing a 12% increase in the amounts which have applied since 1 January 2010.

TAX TRAP

Visiting officers always look at fuel scale rates – check them!

Postal VAT

Up to now, all postal services provided by The Post Office (Royal Mail Holdings plc) have been exempt from VAT. Following a legal challenge by private delivery companies, the rules will be changed to require VAT to be charged where Royal Mail is in direct competition with such companies. The exemption will still apply to the Royal Mail's "universal service obligation", which covers most delivery services to private customers (including postage stamps). Commercial customers who negotiate price terms may have to pay VAT from 31 January 2011.

Other Measures

Business Payment Support Service

Last year the Chancellor introduced a "time to pay" facility to help businesses with cash flow difficulties. The Budget included the announcement that this has helped 160,000 businesses defer payment of over £5 billion. The Chancellor said that he regarded the scheme as a success that should be extended for the whole of the next Parliament, although there were no specific proposals to do so in the Budget press releases.

Businesses which wish to defer liabilities of over £1m are now required to obtain an independent report to support their application.

TAX TIP

If you want to negotiate time to pay, do so before the due date.

Business rates

There will be a temporary increase in the level of small business rate relief so that eligible small businesses occupying properties with rateable values up to £6,000 will pay no business rates for one year from October 2010. In addition, small businesses with rateable values up to £12,000 will enjoy significant reductions.

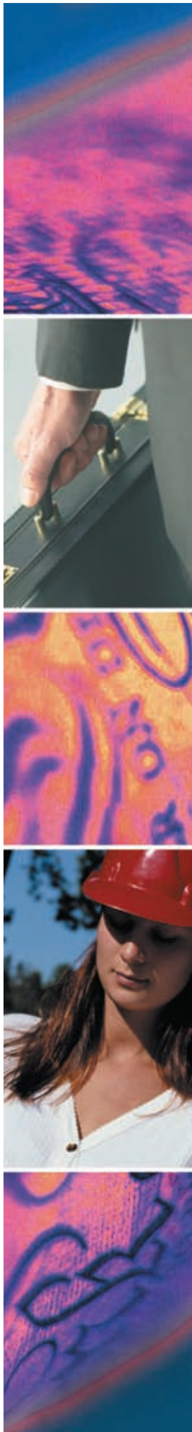
The temporary increase in the threshold for Empty Property Relief will be extended for a further year and raised from £15,000 to £18,000.

Penalties for late filing and payment

The penalties for late filing of returns and late payment of tax are being reformed and made consistent across all the taxes. Proposals were included in the Budget for changes to a number of indirect taxes, including VAT. The changes will represent a significant reduction in the levels of penalty when compared to the current VAT "default surcharge" system, where a penalty of 15% can be levied for a day's delay if the trader has missed a number of deadlines. However, HM Revenue & Customs will require several years to change their systems to cope with the changes, so the harsh regime will continue for the time being.

Security for payment of PAYE

Employers are required to deduct PAYE and NIC from their workers' pay and hand it over to HM Revenue & Customs. Where a trader has been associated with businesses which have failed to comply with this obligation, HMRC want the power to demand a deposit of security as a condition of trading. A similar power currently exists in relation to VAT. There will be a consultation on the new power and it will not be implemented before 6 April 2011.



Charity taxation

A number of changes have been announced to the tax treatment of charities.

These include:

- Tax reliefs available to UK charities to be extended to similar organisations in the rest of the EU, Norway and Iceland

- Aligning the treatment of UK resident and non-resident donors who make a Gift Aid declaration but have not paid enough tax to cover the credit claimed by the charity

- Setting a maximum number and minimum amount for the claims to Gift Aid that a charity can make during a tax year (although most charities are unlikely to be affected)

Bank Payroll Tax

The tax charge that was imposed on bankers' bonuses in the Pre-Budget Report was confirmed as a one-off measure that will only apply to bonuses paid up to 5 April 2010. Mr Darling announced that it has raised more than twice as much as had been forecast – £2bn.

Offshore evasion and avoidance

The Government has made several attempts in recent years to encourage people with undeclared income or gains held offshore to come forward and put their affairs in order. These have included two chances to make a full voluntary disclosure with a promise of only a 10% penalty, the second of which is just coming to an end. Now the Chancellor proposes to increase the penalties for failing to disclose offshore income and gains – the stick to follow the carrot. For periods commencing from 1 April 2011 onwards, it is proposed that a maximum penalty of 200% could apply to someone failing to disclose funds held in countries which have not agreed to exchange financial information with the UK authorities.

The Chancellor announced that three new countries have agreed to exchange such information with the UK: Dominica, Grenada and Belize.

TAX TRAP

If you have money offshore, make sure that it has been properly disclosed.

Anti-avoidance measures

As usual, the Budget included a number of measures to close down tax avoidance schemes that the Government has become aware of recently. These included specific new rules about Share Incentive Plans and Company Share Option Plans.

There will also be a significant reform of the "transactions in securities" rules which HMRC can use to attack some planning ideas, for example schemes which try to turn income into capital gains.

VCT/EIS/EMI

Tax incentives for investment, such as the Venture Capital Trust scheme and the Enterprise Investment Scheme, or for rewarding employees, such as Enterprise Management Incentive share options, have in the past often required that the business is carried on in the UK. This is not in accordance with European law, so the rules are being relaxed to allow companies to qualify if they have a permanent establishment in the UK. There must still be a qualifying trade, but it does not have to be carried out wholly or mainly in this country. Other technical changes to the VCT and EIS rules will be made to comply with EU rules.

Settlor-interested trusts

Where settlors could benefit from a trust that they have set up, they are required to declare the trustees' income on their own tax return and pay tax under self assessment. They are entitled to set any tax already paid by the trustees against this liability.

Where this results in a repayment, the settlor will in future be required to hand this over to the trustees – a fiscal money-go-round.

TAX TRAP

Settlor-interested trusts are now very complicated – are you affected?

Income Tax Rates and Allowances

Table A Allowances and Reliefs

	2010/11	*2009/10*
Allowed at top rate of tax		
Personal Allowance	£6,475	£6,475
Personal Allowance (65 – 74)*	9,490	9,490
Personal Allowance (75 and over)*	9,640	9,640
Blind Person's Allowance	1,890	1,890
Allowed only at 10%		
Married Couple's Allowance (75 and over)*+	6,965	6,965
Income limit for age-related allowances	22,900	22,900

+only available if born before 6th April 1935

*Age allowances are reduced £1 for every £2 by which income exceeds the income limit, until the age allowance is reduced to the normal allowance. Personal allowance is reduced before married couple's allowance. MCA is reduced to a minimum of £2,670 (2009/10: £2,670).

Personal allowances in 2010/11 will be withdrawn at £1 for every £2 by which total income exceeds £100,000. There will therefore be no allowances if income is £112,950 or more.

Bands	*2010/11*	*2009/10*
Starting (within basic rate band)*	£2,440	£2,440
Basic	37,400	37,400
Higher	37,401 - 150,000	over 37,400
Additional	over 150,000	–

* There is a 10% starting rate for savings income only. If general taxable income exceeds the starting rate limit, the 10% rate is not available for savings income.

Rates differ for General, Savings and Dividend income within each band:

Rates	*2010/11*			*2009/10*		
	G	S	D	G	S	G
Starting	N/A	10%	10%	N/A	10%	10%
Basic	20%	20%	10%	20%	20%	10%
Higher	40%	40%	32.5%	40%	40%	32.5%
Additional	50%	50%	42.5%	-	-	-

General income (salary, profit, rent) uses starting rate and basic rate bands before savings income (interest). Dividends are taxed as the 'top slice' of income.

Table B Pension Contributions

The maximum annual tax efficient gross contributions (up to age 75) in 2010/11 are:

– individuals: £3,600 or 100% of earnings to £255,000

– employers: £255,000 less employee contributions

Maximum tax-efficient fund (lifetime allowance) where benefits are taken in 2010/11: £1.8m. Only current earnings count for the 100% limit. Where extra contributions exceeding £20,000 are paid by someone with total income over £130,000, there may be a clawback of pension relief in 2009/10 and 2010/11.

Table C Benefits in kind

Car Benefit Assessment 2010/11

Charge based on a percentage of the initial list price of the car; the percentage depends on the carbon dioxide emission ratings of the car, if it has one. For older cars without a rating, the percentage depends on engine capacity.

For 2010/11 the percentage for a petrol engine is 15% for ratings from 121g/km - 130g/km. The percentage increases by 1% for every complete 5g/km in excess of this (i.e. at 135,140 etc.), to a maximum of 35%. Diesel cars have 3% added to this figure, but still have a maximum percentage of 35%. In 2009/10 the 15% rate increased to 16% at 140g/km, so most benefit charges will increase by one percentage point.

Lower rates apply to cars with ratings up to 120g/km (10%/13%), 75g/km (5%/8%), or no emissions (no tax charge).

Car Fuel Assessment

The benefit is calculated using the same percentage as that used for the car benefit, applied to a standard figure of £18,000 (2009/10: £16,900).

The taxable amount is therefore between £900 (5% – min.) and £6,300 (35% – max.).

National Insurance Contributions

Table D Rates and limits for 2010/11 (unchanged from 2009/10)

Class 1	*Weekly*	*Monthly*	*Yearly*
Primary Threshold – employees (PT)	£110	£476	£5,715
Upper Accrual Point (UAP)	770	3,337	40,040
Upper Earnings Limit – employees (UEL)	844	3,656	43,875

Employer's Contribution	*Contracted In*	*Contracted Out*	
		Salary related scheme	Money purchase scheme
On earnings up to PT	Nil	Nil	Nil
On earnings between PT and UAP	12.8%	9.1%	11.4%
On earnings above UAP	12.8%	12.8%	12.8%

Employee's Contribution

Contracted in: 11% on earnings between PT and UEL, 1% above UEL.

Contracted out: 9.4% on earnings between PT and UAP; 11% from UAP to UEL; 1% above UEL.

Earnings over £97 per week qualify for benefit (2009/10: £95), and must be reported under PAYE, but no NICs are payable until earnings exceed £110 per week.

The reduced Class 1 rate payable by certain married women and widows is 4.85% for earnings between £110 and £844 per week, 1% above £844 per week.

Class 2 (Self-employed)	Earnings over £5,075 per year	£2.40 per week
Class 3 (Voluntary)	No limit applicable	£12.05 per week
Class 4 (Self-employed)	Profits between £5,715 and £43,875	8%
	Profits above £43,875	1%

April 2010

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 2009/10 and 2010/11.
19 Employers pay PAYE for quarter or month March 2010.
19 'IR35' tax due.

May 2010

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						

3 Employers submit P46(car) form showing quarter's changes to company cars.
19 Employers pay PAYE for month April 2010.
19 Employers submit 2009/10 year end returns to Revenue: P14, P35, P38. P38A.
31 Employers send 2009/10 P60 to employees.

June 2010

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 2010.

July 2010

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**	

5 Deadline for Tax Credit claim to commence from start of 2010/11.
6 Employers send P9D, P11D and Form 42 share scheme returns to HMRC; P9D, P11D to employees.
19 Employers pay PAYE for quarter or month June 2010.
19 Employers pay class 1A NIC for 2009/10.
31 Deadline for payment of second instalment of 2009/10 tax. Revise existing Tax Credit claim.

August 2010

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 2008/09 tax return not filed, further £100 penalty.
2 Employers submit P46(car) form showing quarter's changes to company cars.
19 Employers pay PAYE for month July 2010.

September 2010

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 2010.
30 Deadline for traders to claim VAT incurred in other EU member states in calendar year 2009.

October 2010

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 Corporation tax payday for companies with 31 December 2009 year end.
5 Deadline for notifying HMRC if income tax is due for 2008/09 and no tax return received.
19 Employers pay PAYE for quarter or month September 2010 also PAYE Settlement Agreement for 2009/10.
31 File 2009/10 return on paper for HMRC to calculate tax and code out underpayments.

November 2010

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					

2 Employers submit P46(car) form showing quarter's changes to company cars.
19 Employers pay PAYE for month October 2010.

December 2010

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**		

19 Employers pay PAYE for month November 2010.
30 File 2009/10 return online to take advantage of Revenue calculation and coding out of employment income tax underpayments up to £2,000.
31 Corporation tax filing deadline for companies with 31 December 2009 year end.

January 2011

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 Corporation tax payday for companies with 31 March 2010 year end.
19 Employers pay PAYE for quarter or month December 2010.
31 Online filing deadline for 2009/10 income tax and CGT return. Deadline for payments to avoid interest. Companies affected by IR35 to file finalised P14 for 2009/10.

February 2011

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						

2 Employers submit P46(car) form showing quarter's changes to company cars.
19 Employers pay PAYE for month January 2011.
28 Deadline for payment of balance of 2009/10 tax to avoid surcharge.

March 2011

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**			

19 Employers pay PAYE for month February 2011.
31 Corporation tax filing deadline for companies with 31 March 2010 year end.

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OUR SERVICES

Taxation

● Income Tax ● Business Tax ● Corporation Tax ● Value Added Tax
● PAYE and National Insurance ● Capital taxes (including Capital Gains and Inheritance Tax)
● Tax investigation advice & assistance ● Tax deferral

Audit

● Statutory Audits ● Specialist audits

Accountancy

● Financial accounts ● Monthly management accounts ● Budgets and cashflow projections
● Book-keeping services ● Payroll service

Small Businesses

● Comprehensive start-up service ● Financial management
● Cost benefit analysis ● Grant claims

Corporate Finance

● Share valuations ● Mergers & management buyouts ● Venture capital

ACCA

Director

Justin Smith-Milne FCCA

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