

<u>Tax bands and rates</u>		<u>2017/18</u>	<u>2016/17</u>
Basic rate band		£33,500	£32,000
Basic rate band - Scotland		£31,500	£32,000
Basic tax rate		20%	20%
Dividend ordinary tax rate		7.5%	7.5%
Savings starting rate band		£5,000*	£5,000*
Savings starting rate - savings income		0%	0%
Higher rate band		£33,501 - £150,000	£32,001 - £150,000
Higher rate band - Scotland		£31,501 - £150,000	£32,001 - £150,000
Higher tax rate		40%	40%
Dividend upper tax rate		32.5%	32.5%
Additional rate band over		£150,000	£150,000
Additional tax rate		45%	45%
Dividend additional tax rate		38.1%	38.1%
Personal allowance		£11,500	£11,000
Trading allowance**		£1,000	£0
Property allowance**		£1,000	£0
Marriage allowance	Transferable allowance	£1,150	£1,100
Blind person's allowance		£2,320	£2,290
Married couple's allowance (MCA)	Maximum amount	£8,445	£8,355
	Tax reduction at 10%	£844.50	£835.50
Non-Domicile Remittance Basis Charge:			
Applies after UK residence in 7 or more of the previous 9 tax years		£30,000	£30,000
Applies after UK residence in at least 12 of the previous 14 years		£60,000	£60,000
Applies after UK residence in at least 17 of the last 20 years		£90,000	£90,000
Enterprise Investment Scheme(EIS) up to		£1,000,000	£1,000,000
Maximum amount for EIS carry back		£50,000	£50,000
Income tax relief rate		30%	30%
Seed enterprise investment scheme (SEIS)		£100,000	£100,000

Income tax relief	50%	50%
Venture capital trust (VCT)	£200,000	£200,000
Social investment relief	£1,000,000	£1,000,000
Income tax relief	30%	30%
VCT tax relief rate	30%	30%
Golden handshake maximum tax free	£30,000	£30,000
Rent a room - exempt on gross annual rent up to	£7,500	£7,500
Construction industry scheme - deduction rate		
Standard rate - registered	20%	20%
Higher rate - not registered	30%	30%

*Savings income falling into the first £5,000 may be taxed at 0% for certain low income earners.

**When the gross income is £1,000 or less.

2018 AND BEYOND

It is intended to increase the personal allowance to £12,500 and the higher rate threshold to £50,000, but no timetable for these increases has been announced. Once these limits have been attained they will, in future, be index linked by reference to the CPI (Consumer Prices Index).

Termination payments over £30,000 which are subject to income tax after April 2018 will also be subject to employers national insurance contributions.

Income tax will only be applied on the equivalent of an employee's basic pay if the employee has not worked the notice period.