

chartered certified accountants

AUTUMN BUDGET

2017



# BUDGET 22 NOVEMBER 2017

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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## Pressure? What pressure?

Press reports tell us that Philip Hammond is under attack from those within his party who believe he is not sufficiently enthusiastic about Brexit. He had to cope with downgraded predictions of economic growth and poor statistics on productivity, while seeking to address some of the issues which appear to have hurt the Government in this year's general election – housing, austerity, the difficulties facing claimants of Universal Credit, the constant need to find money for the NHS. For a man under such pressure, he managed to appear remarkably relaxed, making jokes with the Prime Minister about cough sweets (she handed him a packet) and managing to avoid the possible pitfalls of talking about the advantages of driverless cars.

In common with most recent Budget speeches, Mr Hammond addressed the House for almost exactly an hour. In other respects it was unusual: there was very little in the speech about tax, and almost nothing about raising it. He listed spending promises and tax giveaways, such as the headline relief from Stamp Duty Land Tax for first-time buyers, but it was hard to detect anything that would pay for it all.

That, of course, is hidden in the mass of documentation that is released on the Government's website the moment the Chancellor sits down. This booklet explains the main tax changes that were announced and outlines their impact on taxpayers. As usual, some measures come into effect straight away, some take effect next year, and some are advance warning of changes coming in 2019 or 2020. We have included reminders of important changes happening in April 2018 even if they were announced earlier and not mentioned in this Budget – it can be hard to keep track of what is happening when.

Probably Mr Hammond's most pressing need was to avoid a repeat of the climbdown forced upon him after the March 2017 Budget, when he tried to introduce an increase in National Insurance Contributions, but had to accept that this was contrary to a Conservative election manifesto promise. So far, nothing seems to be as controversial as that. The measures that will raise tax are either hard to argue with (cracking down on avoidance and evasion) or relatively obscure (changing the way companies calculate capital gains).

A Chancellor's decisions often have an effect on employment – in this case, possibly on Mr Hammond's continuing tenure in his job. Whether or not the Chancellor is judged to have steered the economy in the right direction, we will be happy to discuss the impact of his proposals on you and your finances.

## Significant points

- From 22 November 2017, Stamp Duty Land Tax (SDLT) is abolished for first-time buyers on homes costing up to £300,000; no SDLT on first £300,000 of first-time buyer's purchase of homes costing up to £500,000.
- Indexation allowance, which gives companies relief for the effect of inflation on capital gains, will be frozen at January 2018 for disposals after that date.
- The rate of the Research and Development Expenditure Credit increases from 11% to 12% with effect from 1 January 2018.
- Tax-free personal allowance rises from £11,500 to £11,850; threshold for 40% tax rises from £45,000 to £46,350. Tax rates and thresholds for Scottish taxpayers are to be confirmed by the Scottish Parliament in December.
- Abolition of Class 2 National Insurance and reform of Class 4 NIC for self employed is deferred by a year to April 2019 in order to assess impact on contributory benefits.
- Freezing of VAT registration threshold at £85,000 for two years instead of normal £2,000 increase, so speculation about a possible reduction in the threshold was unfounded.
- Capital Gains Tax annual exempt amount rises from £11,300 to £11,700.

# Personal Income Tax

## Tax rates and allowances (Table A)

For the tax year 2018/19, the main tax-free personal allowance is increased to £11,850 (up from £11,500), and the basic rate of tax applies – in England, Wales and Northern Ireland – to the next £34,500 of income (up from £33,500). This means that the threshold for 40% tax will be £46,350 for 2018/19 (up from £45,000). The level of income at which personal allowances are withdrawn remains £100,000; the withdrawal of £1 for every £2 of income means that there is an effective marginal rate of tax of 60% in the band of income up to £123,700 in 2018/19, above which the taxpayer will have no personal allowance.

The Scottish Parliament has the power to set different tax rates and thresholds for Scottish taxpayers, and the details are yet to be confirmed for 2018/19. 2017/18 was the first year in which the tax thresholds were different, with the 40% tax rate applying at a lower level (£43,000 rather than £45,000) in Scotland.

As announced in the March 2017 Budget, the Dividend Allowance will be reduced from £5,000 to £2,000 for 2018/19. Dividend income of up to this amount is not taxed, but any excess is charged at 7.5%, 32.5% or 38.1%, depending on whether the taxpayer is within the basic rate, higher rate or additional rate bands. Reducing the Dividend Allowance will raise nearly £1 billion per year by the end of this Parliament.

There were no other significant changes to Income Tax rates and allowances, which are now extremely complicated (see the Table). 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 £46,350, the Income Tax payable will be £340 less in 2018/19 than in 2017/18. However, the upper limit for 12% National Insurance also increases, so there will be an extra employee's NIC bill of about £100 to offset the tax reduction.

## Marriage Allowance

There is a limited relief available where one member of a married couple or civil partnership has unused personal allowance and the other is a basic rate taxpayer. 10% of the allowance can be transferred to the taxpaying spouse or partner, saving tax at up to 20% (£237 in 2018/19) for the recipient. Until now, it has only been possible for the transferring spouse to make the claim, which meant that the saving was denied if the claim had not been made before the person died. This anomaly has been corrected: claims made on behalf of a deceased person will be permitted with effect from 29 November 2017, and can be backdated by up to four years.



## Employees

### Company cars and fuel (Table C)

The basis for taxing company cars and fuel provided for private use is set out in the Table. The Chancellor announced that the supplementary percentage applied in calculating the taxable benefit of a diesel car will increase from 3% to 4% from 6 April 2018. This means that the minimum percentage of the initial list price of the car will be 13% for petrol cars and 17% for diesel cars with emissions ratings up to 50g/km, but the maximum charge remains 37% for either petrol or diesel cars.

From 6 April 2018, there will by law be no charge to Income Tax or National Insurance on the benefit provided to an employee whose employer allows them to charge an electric car at the workplace. In theory, a tax charge could otherwise arise on the cost of providing the benefit, so this puts the matter beyond doubt.

### SAYE schemes

Employees with SAYE-related share option schemes are permitted to pause their contributions while on maternity or paternity leave. This has been limited to 6 months, but will increase to 12 months from 6 April 2018.

### 'Off payroll' and disguised remuneration

HMRC has been concerned about individuals working through personal service companies (PSCs) 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. From 6 April 2017, where the individual behind the PSC works in the public sector, the responsibility for paying this tax has been transferred to the person making the payment to the PSC. Public bodies such as NHS Trusts have had to account for PAYE on such payments, even if the PSC is registered for VAT. The Government intends to consult on the possibility of extending this to people working in the private sector as well.

Meanwhile, other anti-avoidance measures announced in 2016 have been confirmed as applying for the tax year 2017/18. These are aimed at 'disguised remuneration' schemes used by closely controlled companies to pay what are effectively earnings to employees without accounting for PAYE, where the employees have a material interest in the company.

### Termination payments

As previously announced, from April 2018 termination payments paid in a year in which the recipient is UK resident will no longer be eligible for 'foreign service relief'. Until now this has exempted from income tax a termination payment to a person leaving a job if a sufficient proportion of the employment was spent outside the UK.



## Employee expenses

As a simplification measure, from April 2019 employers paying subsistence expenses will no longer be subject to a requirement that they check receipts if they are within benchmark subsistence scale rates. Existing concessionary overseas scale rates for subsistence and accommodation will be placed on a statutory basis in order to provide greater certainty for businesses.

## National Insurance Contributions

### Thresholds and rates (Table D)

From 6 April 2018, the National Insurance Contributions (NIC) thresholds for employers and employees rise from £157 to £162 per week (£8,424 per year). The Upper Earnings Limit will increase to £892 per week (£46,384 per year, or £46,350 where a single annual calculation is carried out) in line with the threshold for 40% Income Tax.

In the March Budget, it was announced that there would be increases in the rates of Class 4 NIC for the self employed in April 2018 and April 2019. Following protests that this was contrary to a manifesto pledge at the 2015 General Election, the Government dropped the proposal. Although the pledge was not repeated in this year's manifesto, the Chancellor confirmed that the increases will not now be implemented.

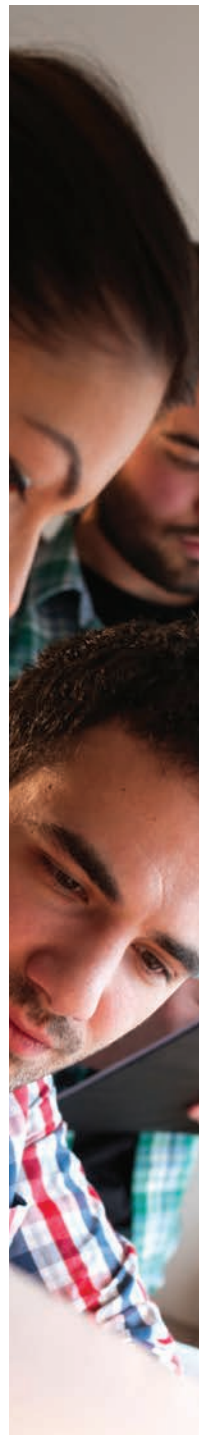
It was also previously announced that Class 2 NIC would be abolished in April 2018, and entitlement to State Pension would be built up by paying Class 4 NIC. Those who earn low profits do not pay Class 4, so they would have to pay Class 3 NIC to qualify for State Pension.

The Government has noted concerns that this would increase costs for low earners, because Class 3 contributions are substantially higher than Class 2. They will therefore delay the abolition of Class 2 NIC until April 2019, and will consult on possible alternative arrangements in the meantime.

## Savings and Pensions

### ISA limits

The ISA investment limit for 2018/19 will remain unchanged at £20,000 per year. The limit for a Lifetime ISA is also unchanged at £4,000. The limit for Junior ISAs and Child Trust Funds increases from £4,128 to £4,260.



## 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, until it is only £10,000 when income reaches £210,000. The limit is also reduced to £4,000 for anyone who has accessed 'flexible income drawdown' from an existing pension fund.

The lifetime allowance (LA) is the maximum amount that a person can save in tax-advantaged pension schemes. The value of benefits is measured against the LA when benefits are first taken from a pension, and also on some other occasions, including the individual's 75th birthday. The LA was reduced from £1.25 million to £1 million with effect from 6 April 2016. It will increase in line with inflation to £1.03 million from 6 April 2018.

## 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. These have been subject to a review which has led to a number of changes to be introduced from 6 April 2018. Some of these are intended to move VCTs towards investment in higher risk companies. The main impact on individual investors is an increase in the annual limit for investment in EIS companies from £1m to £2m, provided that any amount over £1m is invested in one or more knowledge-intensive companies. The rules for such companies will also be modified to make it easier for them to raise money under the EIS.

## Capital Gains Tax

### Rates

The annual exempt amount rises from £11,300 to £11,700 for 2018/19. 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, and also on 'carried interest' of investment fund managers.

Most trusts enjoy half the annual exempt amount (£5,850) and pay tax at 20% or 28% on chargeable gains.

## Non-resident charge

Non-UK residents used to pay no tax on gains on UK property. A charge was introduced for gains on residential property situated in the UK with effect from 6 April 2015. It is now proposed to extend this to non-residential property with effect from 1 April 2019 (companies) or 6 April 2019 (individuals and trusts). Only the gain accruing after that date will be charged.

## Payment of tax on residential property

In the Autumn Statement 2015, George Osborne announced an intention to advance the due date for CGT on the sale of residential property to 30 days after the completion of a sale. This would only apply if a chargeable gain arose, so it would not affect the sale of an exempt main residence; but on the sale of a buy-to-let or furnished holiday letting property, it would very significantly advance the payment of the tax from 31 January following the end of the tax year. The measure was to be introduced with effect from 6 April 2019, but the current Budget delays this until April 2020.

## Inheritance Tax

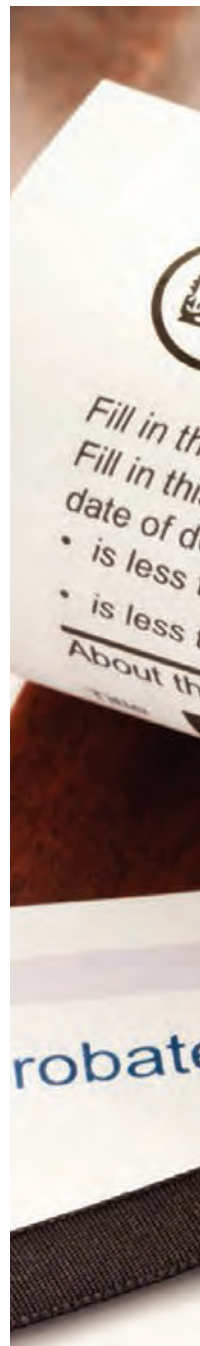
### Rates

As previously announced, the nil rate band remains frozen at £325,000 until the end of 2020/21. The 'residential enhancement', announced in 2015, began to take effect for death transfers from 6 April 2017. This will apply an additional nil rate band (initially £100,000; £125,000 from 6 April 2018 to 5 April 2019; and rising to £175,000 by 2020/21) where a taxpayer's 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 as yet unfamiliar.

## 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.







## Corporate capital gains

Capital gains made by companies have been computed differently from gains of individuals and trusts since 1998. Relief is given to companies for the effect of inflation by means of 'indexation allowance', which adjusts the cost of an asset for the rise in the Retail Prices Index between the acquisition and the disposal of the asset. The Chancellor has decided to freeze this allowance with effect from January 2018, so companies will pay increasing amounts of corporation tax on gains realised after that date as the benefit of the relief reduces. This measure is budgeted to bring in substantial amounts of tax – over half a billion pounds a year by the end of the Parliament.

## Research and Development

Qualifying expenditure on research and development benefits from extra reliefs for corporation tax. To encourage further investment in R&D, the rate of Research and Development Expenditure Credit will increase from 11% to 12% with effect from 1 January 2018.

## Capital Allowances on cars

New 'low emission' cars attract a 100% first year allowance. For expenditure from 1 April 2018, the CO<sub>2</sub> emission threshold for qualifying cars reduces to 50g/km (from 75g/km). From the same date, the threshold at which a car is treated as 'high emission' also falls to 110g/km (from 130g/km). High emission cars only qualify for reduced writing down allowances at 8% per annum in the 'special rate pool', rather than the 18% rate of allowance that applies to general plant.

A business that is considering buying a car might advance a purchase to enjoy the better treatment of expenditure before these changes take effect.

## Enhanced Capital Allowances

The list of designated technologies qualifying for 100% relief on capital expenditure, to support investment in energy-saving plant and machinery, will be updated by way of statutory instrument after the Budget.

## Royalties

To address the avoidance of UK tax by multinational groups paying royalties on UK sales – a deductible expense for UK corporation tax – to group companies based in low-tax jurisdictions, a withholding tax will be introduced on such payments with effect from April 2019.

## Business rates

The Budget report notes that previous Budgets included measures to relieve the impact of business rates by about £9.5 billion over the life of this Parliament. Further measures have been added, intended to support businesses affected by business rates increases with a total benefit of another £2.3 billion:

- Bringing forward to April 2018 a change to the method of measuring inflation: the Consumer Prices Index will be used instead of the Retail Prices Index.
- Legislating retrospectively to reverse the effect of a Supreme Court judgment in a case in which two floors of an office building occupied by the same business had to be treated as separate properties for rating purposes.
- Continuing the discount for public houses with a rateable value up to £100,000, subject to restrictions for businesses with multiple properties.
- Increasing the frequency of revaluations by the Valuation Office from five years to three years after the next revaluation, which is scheduled for 2022.

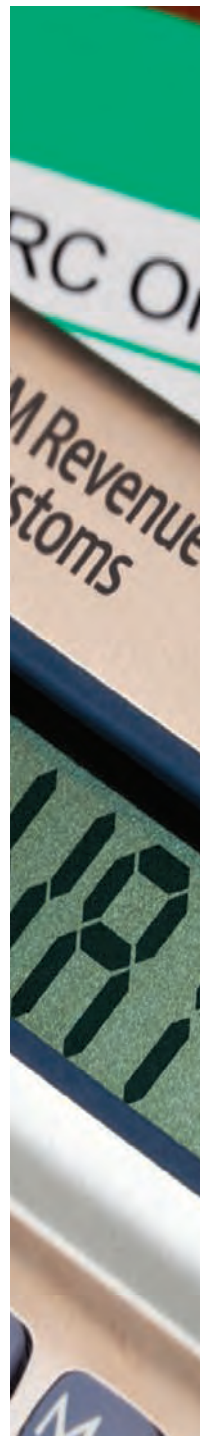
Local government will be fully compensated for the loss of income as a result of these measures.

## VAT

### Registration threshold

The level of taxable turnover that requires a business to register for VAT was set at £85,000 with effect from 1 April 2017. The Office of Tax Simplification has suggested that this creates a number of problems, in particular discouraging small businesses from growing above that level. It is much higher than the registration level for sales taxes in most other countries.

This had led to speculation that the Chancellor might reduce the limit, which could have raised a significant amount of tax, but would have involved many small businesses in extra administration and cost. He decided not to cut the threshold, instead freezing it at its current level for the next two years. The deregistration limit (£83,000) will also stay unchanged.



## Online marketplaces

There is evidence that many sales through online marketplaces involve the supply of goods in the UK on which the appropriate VAT is not paid. The Government is taking a number of steps to close down this evasion and prevent unfair competition with those businesses that account for the proper VAT:

- HMRC may hold online marketplaces jointly and severally liable for future unpaid VAT of a UK business on sales of goods in the UK by that business through that marketplace.
- HMRC may also hold a marketplace jointly and severally liable for unpaid VAT of a non-UK business where the marketplace knew or should have known that the business should be registered in the UK.
- HMRC will require online marketplaces to display valid VAT numbers for all their sellers on their website where a number is provided, and to carry out checks to ensure that numbers provided are valid.

These measures will take effect from the date of Royal Assent to the Finance Bill 2017-18.

## Construction industry fraud

HMRC is concerned that there is an increasing amount of fraud carried out by suppliers of labour in the construction industry. They raise invoices charging VAT which their builder customers claim as input tax, but disappear without ever paying the output tax to HMRC. To counter this, the Government intends to bring in a 'reverse charge mechanism' for some supplies of labour in the industry. It will only take effect in October 2019 after consultation, to allow time for those affected to develop systems to operate the new rules. These would be similar to those already introduced to prevent similar frauds in relation to transactions in mobile phones, computer chips, emissions trading allowances and some other types of supply that have proved susceptible to fraud in the past.

## Property

### Landlords

Landlords prepare income tax accounts for their rental profits in the same way as trading businesses, but some of the detailed rules are different. The rules will be changed with effect from the beginning of the current tax year, 2017/18, to allow landlords to use the simpler fixed mileage rates to calculate the deductible cost of business journeys by car, motorcycle or commercial vehicle, rather than having to calculate the actual cost of such journeys.

Income tax relief for interest against rental income is being restricted to the basic rate of tax, with the restriction phased in over four years. This began in 2017/18; in the second year of the new rules, 2018/19, only 50% of interest paid will be allowed as a deductible expense. The remainder will be eligible for a reduction in tax liability at 20%. The rules are complicated and can produce unpredictable results.

## Annual Tax on Enveloped Dwellings

The annual tax charges on residential properties worth more than £500,000 that are owned through companies and other 'envelope' arrangements will go up for 2018/19 by approximately 3%, in line with inflation. The charge on a house worth between £500,000 and £1m will be £3,600 (up from £3,500); the maximum charge on a house worth over £20m will be £226,950 (up from £220,350).

## Stamp Duty Land Tax

### First-time buyers

The Chancellor announced that, with effect from Budget day, there would be no Stamp Duty Land Tax for first-time buyers on the purchase of a home costing up to £300,000. The SDLT for other purchasers on a property of this value is £5,000. There will also be relief from SDLT for a first-time buyer on the first £300,000 of a more expensive property up to a maximum of £500,000. On the band between £300,000 and £500,000 the SDLT rate is 5%, so on a £500,000 house a first-time buyer will pay £10,000 rather than £15,000.

SDLT does not apply in Scotland, where the Scottish Parliament will take a separate decision on whether to apply similar measures to Land and Buildings Transaction Tax (LBTT). A separate Land Transaction Tax (LTT) will also apply in Wales from April 2018. LBTT and LTT bands and rates differ from those applicable to SDLT.

## Tax Administration

### Collection of Self Assessment debts

The Budget included an announcement that HMRC will use new technology to recover additional Self Assessment debts closer to real-time by adjusting the tax codes of individuals with PAYE income. These changes will take effect from 6 April 2019. It is not yet clear how significant this will be, but it is likely that it will advance the payment of tax that is currently paid later by self employed people and landlords.





## Making Tax Digital

In July 2017, the Government recognised that the introduction of 'Making Tax Digital' (MTD) for all income tax traders with turnover above the VAT registration threshold in April 2018 was very risky – the system had not been sufficiently tested. It was therefore decided to postpone the introduction of MTD for income tax until 2020 at the earliest, at which point it will probably be optional to start with.

The Government intends to press ahead with the introduction of MTD for VAT as originally timetabled in April 2019. Although this may seem a lesser change, because most VAT-registered businesses already file online returns every quarter, the detailed requirements of MTD are very different from the present rules. All VAT-registered businesses will have to make preparations in good time in order to have compliant software to record their transactions. The details are still being worked on, and it is still possible that the Government will decide that the introduction of such a change at almost exactly the same moment as the scheduled date for Brexit is still too risky – but until and unless such a decision is taken, it will be necessary to assume that the new system will be introduced.



## Avoidance and evasion

As usual, the Chancellor announced a number of measures to crack down on tax avoidance and evasion. These included the announcement of an extra £155 million in resources allocated to HMRC to fund:

- Transformation of their approach to the hidden economy through the use of technology.
- Further tackling of people marketing tax avoidance schemes.
- Enhancement of efforts to tackle enablers of tax fraud and to hold intermediaries accountable for the services they provide.
- Increased action against non-compliance by mid-sized businesses and wealthy individuals.
- A new taskforce specifically aiming to collect tax debts more than 9 months old.



## Charities

The Budget included an announcement of plans to simplify and clarify some of the conditions for Gift Aid relief to be claimed by charities from April 2019, where a benefit is provided to the donor. At the moment there are three monetary limits on such benefits that must be considered, and a number of extra-statutory concessions that allow the harsher effects of the law to be ignored. The limits will be simplified from three to two, and the concessions will be enacted in the law to provide certainty.



## Income Tax Rates and Allowances (Table A)

Main allowances	2018/19	2017/18
Personal Allowance (PA)*†	£11,850	£11,500
Blind Person's Allowance	2,390	2,320
Rent a room relief §	7,500	7,500
Trading income §	1,000	1,000
Property income §	1,000	1,000

\*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 £123,700 or more (2017/18: £123,000).

†10% of the PA (2018/19: £1,185; 2017/18: £1,150) 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	2018/19	2017/18
Basic Rate Band (BRB)	£34,500	£33,500
Higher Rate Band (HRB)	34,501-150,000	33,501-150,000
Additional rate	over 150,000	over 150,000
Personal Savings Allowance (PSA)		
– Basic rate taxpayer	1,000	1,000
– Higher rate taxpayer	500	500
Dividend Allowance (DA)	2,000	5,000

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

Scottish taxpayers

The 2018/19 tax rates and bands for Scottish taxpayers have not been announced. For 2017/18, the basic rate band is £31,500.

Tax Rates	2018/19 and 2017/18		
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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 taxes interest at nil, where it would otherwise be taxable at 20% or 40%.

Dividends are normally taxed as the 'top slice' of income. The DA taxes the first £2,000 (2017/18: £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	2018/19	2017/18
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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
15 of the preceding 20 tax years	Deemed to be UK domiciled for tax purposes	



## Registered Pensions (Table B)

	2018/19	2017/18
Lifetime Allowance (LA)	£1,030,000	£1,000,000
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	13%	17%
51-75	16%	20%
76-94	19%	23%
Above 94	Add 1% for every 5g/km	
Above 179 (petrol)/159 (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 £23,400 (2017/18 £22,600).

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	£162pw	£162pw
Main rate* charged up to	£892pw	no limit
2% rate on earnings above	£892pw	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 £892pw.

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	£2.95
Small profits threshold	£6,205

### Class 3 (Voluntary)

Flat rate per week	£14.65
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### Class 4 (Self employed)

On profits £8,424 – £46,350	9.0%
On profits over £46,350	2.0%

**April 2018**

M	T	W	T	F	S	S
						1
2	3	4	<b>5</b>	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						

- 5** End of tax year. Cut-off for income and gains between 2017/18 and 2018/19.
- †19** Employers pay PAYE for quarter or month March 2018, cheque to reach accounts office.
- 19** Last day for final 2017/18 Employer Payment Summary to reach HMRC.
- \*22** PAYE electronic payment deadline.

**May 2018**

M	T	W	T	F	S	S
	<b>1</b>	2	<b>3</b>	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** Commencement of £10 daily penalties for 2016/17 tax returns not filed.
- 3** Employers submit P46(car) form showing quarter's changes to company cars.
- †19** Employers pay PAYE for month April 2018.
- \*22** PAYE electronic payment deadline.
- 31** Employers send 2017/18 P60 to employees.

**June 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	

- †19** Employers pay PAYE for month May 2018.
- \*22** PAYE electronic payment deadline.

**July 2018**

M	T	W	T	F	S	S
						1
2	3	4	5	<b>6</b>	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>					

- 6** Agree 2017/18 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 2017/18.
- †19** Employers pay PAYE for quarter or month June 2018.
- \*22** PAYE and Class 1A NIC electronic payment deadline.
- 31** Deadline for payment of second instalment of 2017/18 self assessed tax on income.

**August 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	<b>18</b>	<b>19</b>
20	21	<b>22</b>	23	24	25	26
27	28	29	30	31		

- 1** If 2016/17 tax return not filed, further £300 penalty (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 July 2018.
- \*22** PAYE electronic payment deadline.

**September 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

- †19** Employers pay PAYE for month August 2018.
- \*22** PAYE electronic payment deadline.

\* Electronic payments due on a weekend must be made on the previous working day unless "Faster Payments" is used.  
 † Cheque payments due on a weekend must reach HMRC on the previous working day.



## October 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	19	20	21
22	23	24	25	26	27	28
29	30	31				

1 Corporation Tax payday for companies with 31 December 2017 year-end.

5 Deadline for notifying HMRC if income tax or CGT is due for 2017/18 and no tax return received.

\*19 Employers pay PAYE for quarter or month September 2018 and 2017/18 PAYE Settlement Agreement liability.

\*22 PAYE electronic payment deadline.

31 Last day to file 2017/18 SA return on paper.

## November 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
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 2018.

\*22 PAYE electronic payment deadline.

## December 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	19	20	21	22	23
24	25	26	27	28	29	30
31						

\*19 Employers pay PAYE for month November 2018.

\*22 PAYE electronic payment deadline.

30 File 2017/18 SA return online to take advantage of coding out of income tax underpayments.

31 Corporation Tax filing deadline for companies with 31 December 2017 year-end.

## January 2019

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 2018 year-end.

\*19 Employers pay PAYE for quarter or month Dec 2018.

\*22 PAYE electronic payment deadline.

31 File 2017/18 income tax and CGT online return. Pay 2017/18 tax to avoid interest and first instalment of 2018/19 self assessed tax on income. Companies within IR35 to file Earlier Year Update for 2017/18.

## February 2019

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			

1 If 2016/17 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 2019.

\*22 PAYE electronic payment deadline.

28 Deadline for payment of balance of 2017/18 tax to avoid a 5% late payment penalty.

## March 2019

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 2019.

\*22 PAYE electronic payment deadline.

31 Corporation Tax filing deadline for companies with 31 March 2018 year-end.

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

† Cheque payments due on a weekend must reach HMRC on the previous working day.

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