

2010 Budget Summary

The Chancellor of the Exchequer, Alistair Darling, delivered his third budget speech to the House of Commons on 24 March 2010. Many of the figures fundamental to our business and personal lives are summarised in the enclosed tax cards. We are sure that you will find it a useful point of reference throughout the coming tax year and below we have summarised the main changes:-

Income Tax

The thresholds for income tax and the personal allowance remain unchanged from 2009/10.

The top rate of income tax has been increased from 40% to 50% for income over £150,000.

The under 65's with income exceeding £112,950 will not receive any personal allowance.

The annual limit for investing in an ISA increases from £7,200 to £10,200.

The Annual Investment Allowance (tax relief on equipment) has been increased from £50,000 to £100,000.

Capital Gains Tax

The Capital Gains Tax rate remains at 18%.

The lifetime limit on gains qualifying for entrepreneurs' relief (10% rate) has doubled to £2 million.

Inheritance Tax

The nil rate band of £325,000 has been frozen until 5 April 2015.

Stamp Duty

A two year SDLT holiday introduced for first time buyers of residential property costing less than £250,000.

VAT

VAT registration and deregistration thresholds have increased to £70,000 and £68,000 respectively.

PAYE

New penalties have been introduced for late monthly or quarterly returns. Penalties will also be introduced for payments submitted late. **THIS IS VERY IMPORTANT IF YOU ARE REGISTERED FOR PAYE**

Corporation Tax

No changes in the rates of Corporation Tax

Our tax card is intended for use as a quick point of reference. Should you require any further information, have a simple question or require detailed advice we are only a phone call away.