

landtax

Providing specialist tax advice to landowners

2010 Summer Budget

Summary of the taxation provisions

Introduction

George Osborne described his first Budget as 'the unavoidable Budget' in which spending cuts outweighed tax increases by a ratio of 77% spending cuts to 23% tax increases. The capital gains tax changes were less harsh than many feared. The new top rate of 28% is much less than the 40% or 50% rates that had been threatened and it was a relief that the annual exemption will stay at £10,100. The increase in the lifetime limit for entrepreneurs' relief from £2 million to £5 million will be welcomed by business owners.

On pensions tax relief, the Government is reviewing the complex provisions that were to limit higher rate tax relief for people with high incomes from April 2011 and seems to be considering reducing the annual allowance from £255,000 to between £30,000 and £45,000. The Government will also abolish the current rules that effectively force people to buy annuities with their pension funds at age 75 and will consult on the details.

The big revenue raiser will be the VAT increase in the new year, but the main part of the package – the spending cuts – will be announced in the autumn.

Budget highlights

- The standard rate of VAT will be 20% from Tuesday 4 January 2011.
- The personal allowance will rise by £1,000 in 2011/12, but higher rate taxpayers will not benefit because the basic rate limit will be cut.
- From 23 June 2010, the rate of capital gains tax will increase to 28% for higher and additional rate taxpayers, but will remain at 18% for basic rate taxpayers.
- Entrepreneurs' relief will continue at 10% and from 23 June 2010 the lifetime limit will be raised to £5 million per person.
- The main corporation tax rate will fall to 27% from 1 April 2011 and be reduced by 1% a year in the following three years.
- The small profits corporation tax rate will reduce to 20% from 1 April 2011.
- The annual investment allowance will be cut to £25,000 from April 2012. The writing down allowances for plant and machinery will also be reduced.
- The effective requirement to buy an annuity at age 75 will be scrapped from April 2011.

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This summary has been prepared very rapidly and is for general information only. The proposals are in any event subject to amendment before the Finance Act is passed. It is recommended you seek competent professional advice before taking any action on the basis of the contents of this publication.

PERSONAL AND TRUST TAXATION

Income tax allowances, reliefs and credits

	2010/11	2009/10
Personal (basic)	£6,475	£6,475
Personal allowance reduced by 50% of income over	£100,000	N/A
Personal (age 65-74)	£9,490	£9,490
Personal (age 75 and over)	£9,640	£9,640
Married couples/civil partners (minimum) at 10%*	£2,670	£2,670
Married couples/civil partners (age 75 and over) at 10%	£6,965	£6,965
Age-related relief reduced by 50% of income over	£22,900	£22,900
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
Childcare and childcare vouchers (weekly tax-free limit)	£55	£55
Blind persons	£1,890	£1,890
Rent-a-room tax-free income	£4,250	£4,250
Venture Capital Trust (VCT) at 30%	£200,000	£200,000
Enterprise Investment Scheme (EIS) at 20%	£500,000	£500,000
EIS eligible for capital gains tax re-investment relief	No limit	No limit
Registered Pension Scheme:		
• annual allowance	£255,000	£245,000
• lifetime allowance	£1,800,000	£1,750,000
• special annual allowance applies where } min.	£20,000	£20,000
relevant income is £130,000 or more } max.	£30,000	£30,000
• special annual allowance charge	20%-30%	20%

* Where at least one spouse/civil partner was born before 6 April 1935.

Income tax rates

	2010/11	2009/10
Starting rate band of 10% on savings income up to	£2,440	£2,440
Basic rate of 20% on income up to	£37,400	£37,400
Higher rate of 40% on income	£37,401-£150,000	£37,401
		and over
Additional rate of 50% on income over	£150,000	N/A
Dividends for:		
• basic rate taxpayers	10%	10%
• higher rate taxpayers	32.5%	32.5%
• additional rate taxpayers	42.5%	N/A
Pre-owned assets tax (charged as income) – minimum taxable	£5,000	£5,000
Trusts:		
• standard rate band generally	£1,000	£1,000
• dividends (rate applicable to trusts)	42.5%	32.5%
• other income (rate applicable to trusts)	50%	40%



Income tax bands and personal allowances

The personal allowance for those under 65 will rise by £1,000 to £7,475 for 2011/12. The basic rate limit for 2011/12 will be reduced, so that higher rate taxpayers will not benefit from the increase in the personal allowance.

National insurance rates and bands

The main national insurance contribution (NIC) rates will rise by 1% in 2011/12, as previously announced. The employer's NIC (secondary) threshold will rise by £21 a week more than indexation to reduce the impact of this increase.

The upper earnings/profits limit (UEL/UPL) will continue to be aligned with the higher rate threshold (the total of the under-65 personal allowance plus the basic rate limit) by reducing the UEL/UPL.

Deduction of income tax at source

HM Revenue & Customs (HMRC) will be given the power to make regulations to amend when and how a taxpayer other than a company should report income tax deducted from payments of interest, patent royalties and other annual payments.

Individual savings accounts (ISAs)

For tax years starting from 6 April 2011, the annual ISA investment limits will increase each year in line with inflation as previously announced. The new limit will be based on the annual retail prices index (RPI) increase to the previous September and rounded to a multiple of £120.

Child trust fund

As announced on 24 May 2010, Government contributions to child trust funds will be reduced to a basic £50 from 1 August 2010 and then the contributions will cease completely from 1 January 2011.

Deferring the requirement to buy an annuity

The effective requirement to use registered pension scheme funds to buy an annuity at age 75 will be scrapped from 2011/12. Pending implementation of the necessary changes, from 22 June 2010 the age threshold will rise from 75 to 77. This change will also apply for the purposes of inheritance tax (IHT) charges for pension scheme members aged 75 or more.

For members of money purchase pension schemes who reach age 75 after 21 June 2010, the strict alternatively secured pension (ASP) income limits will apply from age 77. Immediately before their 75th birthday, members will become entitled to income withdrawal and a tax-free pension commencement lump sum in respect of any uncrystallised funds (ie funds that have not yet vested).



£ saver

Protect your personal allowance. In 2010/11 your personal allowance is reduced by 50% for every pound your income is over £100,000. If you can reduce your income below £100,000, eg by making a pension contribution or choosing tax-efficient investments, you should benefit from the full allowance.

> think ahead

Maximise the pension contributions on which you can get full tax relief. This year the annual allowance is £255,000. In 2011/12 it could be as little as £30,000. But watch out for the current rules that can restrict higher rate tax relief.

Pensions tax relief

Legislation will be introduced to repeal the Finance Act 2010 measures that introduced the high income excess relief charge, which was due to operate from 2011/12. The Government will instead use the existing allowances structure to restrict higher and additional rate relief for pension contributions. The Budget Red Book says that 'provisional analysis suggests an annual allowance in the range of £30,000 to £45,000 would raise the necessary yield'.

Pension taxation – NEST

As previously announced, legislation will enable the National Employment Savings Trust (NEST) to be registered with HMRC for tax purposes. Once registered, NEST will be treated as an occupational scheme.

Real estate investment trusts (REITs)

At present, a UK REIT must pay cash dividends (property income distributions) to meet the requirement under REIT rules to distribute 90% of profits from its property rental business. From the date of Royal Assent, a UK REIT will be able to issue stock dividends instead of making a property income distribution, as previously announced.

Venture capital schemes

As previously announced, for venture capital trusts (VCTs) there will be a change in the definition of eligible shares and the minimum holding of such shares will rise to 70% from the current 30%.

Company shares will be excluded from qualifying for VCTs and enterprise investment schemes (EISs) if the company is an 'enterprise in difficulty'. The current rule that a company must have a qualifying trade carried on wholly or mainly in the UK will be replaced with a requirement that the company must have a permanent establishment in the UK, as previously announced.

Legislation will be in the Finance Act, but no date has yet been set for implementation. The new eligible shares rule will not affect funds raised by VCTs before the implementation date.

Income tax adjustments between settlors and trustees

From 6 April 2010, as previously announced, settlors who receive repayments of tax on trust income because their personal tax rate is lower than the trustees' rate will be required to pass such repayments to the trustees. These payments to trustees will be disregarded for IHT purposes.

Guardianship orders

From 6 April 2010, as previously announced, payments made to individuals who care for children under special guardianship orders will be free from income tax.

Tax changes to trusts compensating asbestos victims

Where a company has set up a trust before 24 March 2010 to pay compensation to asbestos victims, the trustees will be exempt from income tax, capital gains tax and inheritance tax. The trusts that will benefit are those set up as part of an arrangement made by a company with its creditors. The tax relief applies from 6 April 2006 and was previously announced.

don't forget

The 50% income tax rate (42.5% for dividends) applies to all trusts that accumulate income. If you are a trustee, you should consider whether you could save tax by restructuring the way in which the trust's investments are held. Remember also the maximum rate of CGT for trusts is only 28%.

Income tax relief for shared lives carers

Shared lives carers, including adult placement carers, staying put carers and certain kinship carers will qualify for the same income tax relief as foster carers. The new relief, to be known as qualifying care relief, will have effect from 6 April 2010 and was announced in the 2009 Pre-Budget Report.

Seafarers' earnings deduction

The seafarers' earnings deduction will be extended to EU and EEA seafarers from 6 April 2011, as previously announced in the 2009 Pre-Budget Report.

Enterprise management incentive (EMI)

The requirement that a company granting qualifying EMI options must operate wholly or mainly in the UK will be replaced with a condition that the company must have a permanent establishment in the UK. The change will take effect from the date of Royal Assent and has previously been announced.

Expenses paid to MPs

Legislation will grant continued exemption from income tax for personal additional accommodation expenditure (PAAE) payments as well as certain travel and other expenses paid to MPs with effect from 7 May 2010. The move stems from a change in the scheme for expense payments at the start of the new parliament.

Tax credits

From April 2011, the income threshold for the withdrawal of the family element of child tax credit (CTC) will be reduced from £50,000 to £40,000 and the withdrawal rate will be increased from 6.67% to 41%.

The baby element of CTC will be scrapped from April 2011 and the planned 2012 increase for one and two-year-olds announced in the March 2010 Budget will not be introduced.

From 2012, the 50 plus element will be removed from the working tax credit.

The withdrawal rate for the other tax credits will rise to 41% (from 39%) and the income disregard will drop from £25,000 to £10,000, both from April 2011.

Furnished holiday lettings

The plans to repeal the furnished holiday lettings provisions have been scrapped. However, the Government will undertake a consultation with a view to changing the existing tax treatment of furnished holiday lettings from April 2011. Changes expected include an increase in the number of days on which properties are either available for letting on a commercial basis or actually let. There may also be restrictions on the use of loss relief.



CAPITAL GAINS TAX

Capital gains tax (CGT) rates and annual exemption

There will be a new rate of CGT of 28% from 23 June 2010. For individuals, the rate of CGT remains at 18% where their net taxable gains and taxable income are less than the income tax basic rate limit, currently £37,400. The 28% rate applies to gains or parts of gains that exceed that limit. Trustees and the personal representatives of deceased persons are subject to the 28% rate rather than the 18% rate on all taxable gains.

Gains on disposals before 23 June 2010 continue to be liable to CGT at 18% and will not be taken into account in calculating the rate or rates that apply to gains realised from that date.

The annual exempt amount (AEA) will remain at £10,100 and will continue to be indexed in future years.

In calculating the CGT that is payable, taxpayers will be able to deduct losses and the AEA in the way that will minimise the tax due.

For example – George has taxable income from his employment and investments of £24,000 (after his personal allowance) in the tax year 2010/11. He made two capital gains during the year: £15,000 in May 2010 and £34,000 in July 2010.

He chooses to set his AEA of £10,100 against his July gain, because that would be more advantageous for him. So the tax on his May gain would be £15,000 x 18% = £2,700.

His July gain of £34,000 is reduced to £23,900 by the AEA. This gain is added to his taxable income for the year of £24,000, making a total of £47,900. Up to the basic rate limit of £37,400, the gain of £13,400 is taxable at 18% – £2,412. Above £37,400, £10,500 is taxable at 28% – £2,940. So the total CGT is £5,352. George saved CGT by setting his AEA against the gain taxable at 28% rather than 18%.

CGT deferral reliefs

Capital gains may be deferred in certain cases – for example, they may be held over against a qualifying corporate bond (QCB) received as consideration on a company share sale or deferred by investment in an enterprise investment scheme (EIS). In such cases, the gains become taxable on a subsequent chargeable event – for example, when the QCB is encashed or the EIS shares are sold.

It is confirmed that where pre-23 June 2010 gains are deferred and become taxable after that date, they will be subject to the new CGT rates.

Entrepreneurs' relief

The lifetime limit for entrepreneurs' relief has been increased from £2 million to £5 million for disposals after 22 June 2010. Entrepreneurs' relief applies to the disposal of qualifying business assets by individuals and certain trustees. Gains that qualify for the relief are subject to a tax rate of 10%.

£ saver

You can save tax by trading through a company. Profits retained in a company may be taxed at only 21% – compared with up to 50% income tax and NIC.

£ saver

Share your gains. If you are a higher or additional rate taxpayer, you will pay 28% on all capital gains above your annual exemption. If your spouse is a basic rate taxpayer, they will only pay 18% on gains above their annual exemption until their basic rate tax band is exhausted.

BUSINESS TAX

Corporation tax rates

The corporation tax rates are as follows:

	12 months to 31 March 2011	12 months to 31 March 2012
Small profits rate	21%	20%
Marginal rate	29.75%	28.75%
Main rate	28%	27%

It is proposed to cut the main corporation tax rate to 24% reducing the rate by 1% a year over a four year period.

The relevant limits for corporation tax are reduced proportionately where a company is associated with other companies. The associated company definition will be simplified from April 2011, so that this rule will only apply where businesses are fragmented between various companies to reduce their corporation tax.

Annual investment allowance (AIA) and writing down allowances (WDAs)

The 100% AIA expenditure limit will be reduced from £100,000 to £25,000 from April 2012.

The rates of WDAs for new and unrelieved expenditure on plant and machinery will be reduced as follows from April 2012:

- Main pool plant and machinery expenditure 18% (currently 20%).
- Special rate pool expenditure 8% (currently 10%).

A hybrid WDA rate is calculated for accounting periods that straddle April 2012.

From April 2010, business expenditure on new unused zero-emission goods vehicles qualifies for a 100% first year allowance. The 100% relief applies for five years to April 2015 and is capped at total qualifying expenditure of £85 million over this period per undertaking or group.

Research and development (R&D) tax relief

For many years, companies have been able to claim enhanced tax relief on their qualifying R&D expenditure. Current rates are 175% for small and medium-size enterprises (SME) and 130% for large companies. However, it is no longer necessary for the relevant SME incurring the R&D expenditure to own the intellectual property generated by the R&D. This applies for accounting periods ending on or after 9 December 2009 as previously announced.

NIC exemption for new regional businesses

During a three-year qualifying period, new businesses which start up in targeted areas outside London, the South East and the East of England will get a reduction in their employers' NICs. These employers will not have to pay the first £5,000 of class 1 employer NICs that would otherwise be due in the first 12 months of employment. This will apply for each of the first ten employees hired in the first year of business.

> think ahead

Get the timing right for your investment in new business equipment. At present, businesses of any size will generally benefit from immediate tax relief on the first £100,000 a year spent on most types of equipment. However, this allowance will fall to £25,000 from April 2012. So it could be worth bringing forward major investments.

The measure will apply in Scotland, Northern Ireland and Wales, and the following English regions: the North West, North East, Yorkshire and Humber, West Midlands, East Midlands and South West.

The scheme is intended to start no later than September 2010. Any new business set up from 22 June 2010 that meets the criteria to be announced will benefit from the scheme.

£ saver

Sharing with your spouse. If you run a company or a business make sure your spouse/partner is appropriately paid and pensioned for any work and that they share in the profits if possible.

Capital distributions

With retrospective effect from 1 July 2009, distributions of a capital nature will still fall within the exempt distribution rules for companies as announced earlier. For example, a distribution from reserves created by a reduction of capital will qualify as an exempt distribution, despite being capital in nature.

Consortium relief

The consortium loss relief rules will be relaxed. Currently, a consortium member could transfer its share of the consortium company's losses to another company within its own tax group, but only where the member was UK tax resident. From a date to be announced, a consortium member can transfer losses to other members of its group, where the so-called 'link' consortium company is resident in any European Economic Area country.

At the same time, an additional test will be introduced to restrict the amount of losses that may be claimed from a consortium company through consortium relief, based on the voting power and control that the member has in the consortium.

Other corporate tax changes

The UK introduced 'debt-cap' rules for large groups for periods starting after 31 December 2009. Broadly, these provisions restrict the tax relievable interest costs of highly geared UK companies and groups where the UK interest exceeds the group's worldwide interest costs. A number of detailed technical changes are made to the operation of these rules.

New anti-avoidance rules are being introduced from 22 June 2010 to deal with certain contrived 'derecognition' schemes involving loan relationships.

Special measures have been introduced from 22 June 2010 to prevent unintended tax credits being enjoyed by a UK corporate investor on distributions received from an authorised investment fund.



VALUE ADDED TAX (VAT)

Change of standard rate

The standard rate of VAT will increase from 17.5% to 20% from Tuesday 4 January 2011. Goods and services that are currently exempt from VAT or subject to VAT at the zero or 5% rates will not be affected by this change.

Anti-forestalling rules will counter schemes that aim to apply the 17.5% rate to goods or services supplied after 3 January 2011 by invoicing or paying in advance. A supplementary VAT charge of 2.5% will be payable where the customer cannot recover all the VAT on a supply and any of the following conditions are met:

- The supplier and customer are connected.
- The supplier funds the purchase.
- The payment is not due for at least six months.
- The value of the supply is £100,000 or more, unless the prepayment or advance invoice is normal commercial practice.

Flat rate scheme

Small businesses can start to use the flat rate scheme if their VAT-exclusive turnover is no more than £150,000, but they must leave the scheme if their VAT-inclusive turnover exceeds £225,000. This exit turnover figure will rise to £230,000 from 4 January 2011.

The flat rates that are applied to gross sales under the flat rate scheme will increase on 4 January 2011 to reflect the increase in the standard rate of VAT. Businesses may leave the flat rate scheme at any time.

Payments on account

Businesses that have an annual VAT liability of £2 million or more must make monthly VAT payments on account. This liability threshold will be increased in 2011.

Zero-rating of qualifying aircraft

From 1 January 2011, the supply of an aircraft will only be zero-rated for VAT if it is to be used by a commercial airline on international routes. Currently, aircraft may be zero-rated based on their weight and usage. This measure was previously announced in 2010.

Previous announcements

There have been no changes to the announcements made in the March 2010 Budget on VAT for postal services, the place of supply for gas, heat and cooling, and 'Lennartz' accounting on restrictions to the recovery of VAT on certain immovable property, boats and aircraft.



Mind the change. If you are planning a major purchase – such as a car – you could save over 2% by buying before January's VAT increase.



MISCELLANEOUS ISSUES

Retirement age and state pensions

The state pension age (SPA), from which individuals can receive the state pension, is currently 65 for men and is rising to 65 for women. Legislation is already in place to increase the SPA to age 66 for everyone from 2026, but the Government wishes to bring this date forward. The Government will consult soon on how it will phase out the default retirement age from April 2011.

From April 2011, the state pension will be increased each year by the rise in earnings, or prices, or 2.5%, whichever is the highest. The consumer prices index (CPI) will be used as the measure of prices in the standard minimum income guarantee and basic state pension; however, the uprating of the basic state pension in April 2011 will be based on the retail prices index (RPI).

The guarantee given under the pension credit will be increased by the same cash amount as the state pension.

Insurance premium tax (IPT)

The standard rate of IPT will increase from 5% to 6%, and the higher rate will rise from 17.5% to 20% on 4 January 2011, in line with the increase in the standard rate of VAT.

HMRC powers

New penalties will be introduced for the late filing of returns for VAT and various other duties. The implementation of these penalties will take some years.

Measures to complete the reform of HMRC powers to check compliance with various excise duties are to be introduced over a period from April 2011 to April 2012.

Tackling tax avoidance

The Government will consider whether a general anti-avoidance rule (GAAR) would be effective in reducing tax avoidance. It will also consider:

- Bringing inheritance tax on trusts within the disclosure of tax avoidance schemes (DOTAS) regime.
- Manipulation of consortium relief.
- The use of employee trusts, including employer-financed retirement benefit schemes (EFRBS).
- Stamp duty land tax on high value property transactions.

Consultation

The Government has announced that it will be consulting about future changes in a number of areas. These include: the PAYE system, intellectual property, research and development expenditure, non-domiciled individuals, stamp duty land tax, managed service companies (IR35), investment and asset management issues and gift aid.

Tax policy making

The Government has announced that it will be considering ways to provide taxpayers with greater clarity and certainty in its approach to tax policy. This includes an intention to create an independent Office of Tax Simplification.

NATIONAL INSURANCE CONTRIBUTIONS (NICs)

Class 1 (Employees)

Not Contracted-out of State Second Pension (S2P)

	2010/11	2009/10
Employee	No NICs where earnings are up to £110 pw 11% NICs on £110.01–£844 pw 1% NICs over £844 pw	No NICs where earnings are up to £110 pw 11% NICs on £110.01–£844 pw 1% NICs over £844 pw
Employer	No NICs on the first £110 pw 12.8% NICs over £110 pw	No NICs on the first £110 pw 12.8% NICs over £110 pw

Earnings limit or threshold	2010/11			2009/10		
	Weekly	Monthly	Annual	Weekly	Monthly	Annual
	£	£	£	£	£	£
Lower limit (LEL)	97	421	5,044	95	412	4,940
Earnings threshold	110	476	5,715	110	476	5,715
Upper accrual point	770	3,337	40,040	770	3,337	40,040
Upper limit (UEL)	844	3,656	43,875	844	3,656	43,875

Contracted-out S2P rebate	2010/11	2009/10
Reduction on band earnings	£97.01–£770 pw	£95.01–£770 pw
Employer rate reduction:		
• Salary-related scheme	3.7%	3.7%
• Money-purchase scheme	1.4%	1.4%
Employee rate reduction	1.6%	1.6%

Class 1A (Employers)

	2010/11	2009/10
Most taxable employee benefits	12.8%	12.8%

Class 2 (Self-Employed)

	2010/11	2009/10
Flat rate	£2.40 pw £124.80 pa	£2.40 pw £124.80 pa
Small earnings exception	£5,075 pa	£5,075 pa

Class 4 (Self-Employed)

	2010/11	2009/10
On profits	£5,715–£43,875 pa 8% Over £43,875 pa 1%	£5,715–£43,875 pa 8% Over £43,875 pa 1%

Class 3 (Voluntary)

	2010/11	2009/10
Flat rate	£12.05 pw £626.60 pa	£12.05 pw £626.60 pa

Every month:**1**

Annual corporation tax due for companies with a year ending nine months and a day earlier, eg tax due 1 July 2010 for year ending 30 September 2009.

14

Quarterly instalment of corporation tax due for large companies (depending on accounting year end).

19

Pay PAYE/NIC and CIS deductions for period ending 5th of the month if not paying electronically. Penalties apply to late payments (including electronic payments) from May 2010. Submit CIS contractors' monthly return.

22

PAYE/NIC and CIS deductions paid electronically should have cleared into HMRC bank account.

30/31

Submit CT600 for a year ending 12 months earlier. Last day to amend CT600 for a year ending 24 months earlier. File accounts with Companies House for private companies with a year ending nine months earlier and for public companies with a year ending six months earlier.

If the due date for payment falls on a weekend or bank holiday, payment must be made by the previous working day.

FINANCIAL CALENDAR**March 2010**

- 31** Last-minute planning for 2009/10. Last few days to use any CGT and IHT annual allowances and exemptions. Last day for self-assessment claims for tax 2004/05
Last day for corporation tax (CT) claims for years ending between 31 March 2004 and 31 March 2006.
Deadline for medical professionals to notify an intention to make a disclosure of undeclared liabilities under HMRC's 'Tax Health Plan' under which the maximum penalty on unpaid tax will be 10%.

April 2010

- 1** VAT returns for periods starting from today must be filed online for businesses with a turnover of £100,000 or more and for all newly VAT registered businesses. VAT cheque payments by post will be treated as received by HMRC only when cleared funds reach HMRC's bank account.
5 Last day of tax year (Easter Monday). Deadline for paying into an ISA for 2009/10. Last day to make gifts to use up annual IHT exemption for 2008/09 and for disposals using 2009/10 annual CGT exemption and to make self-assessment claims for 2005/06. Furnished holiday lettings rules end.
6 Start of 50% income tax rate on income over £150,000 (42.5% for dividends) and of withdrawal of personal allowance for income over £100,000.
Increase in ISA limit to £10,200 (£5,100 cash ISA) for all investors. Benefit in kind for electric cars and vans reduced to nil.
14 Due date for paper EC Sales List (VAT 101), CT61 return and CT payment for quarter to 31 March 2010.
20 Interest accrues on employers' unpaid PAYE and NICs for 2009/10 (23rd if paying electronically).
30 IHT due on lifetime transfers between 6 April and 30 September 2009.

May 2010

- 3** Submit employer forms P46 (car) for quarter to 5 April 2010.
19 File 2009/10 end of year PAYE forms. All employers must file online. Penalties may be charged if forms are late and are automatic from 26 May 2010.
31 Last day to issue 2009/10 P60s to employees (Bank Holiday Monday).

June 2010

- 30** Deadline for medical professionals to make a disclosure under HMRC's Tax Health Plan and pay all liabilities.

July 2010

- 5** Final date to agree 2009/10 PAYE Settlement Agreements (PSA).
6 Last date for returns of expenses and

benefits (forms P11D, P9D and P11(b)) for 2009/10 to reach HMRC. Relevant employees to receive copies of forms P11D and P9D.

- Last date to submit annual returns for employee share schemes and employment-related securities for 2009/10 (forms 34, 35, 39, 40 and 42).
14 Due date for CT61 return and CT payment for quarter to 30 June 2010.
19 Class 1A NICs for 2009/10 due (22nd if paid electronically).
31 Confirm tax credit claims for 2009/10. Due date for second payment on account of 2009/10 income tax and Class 4 NICs.
Last day to pay 2008/09 tax to avoid second automatic 5% surcharge (unless late payment agreed with HMRC).
Last day to file 2008/09 tax return to avoid second automatic penalty up to £100.

August 2010

- 1** Submit employer forms P46 (car) for quarter to 5 July 2010.

October 2010

- 5** Deadline to notify HMRC of chargeability to income tax or CGT for 2009/10.
14 Due date for CT61 return and CT payment for quarter to 30 September 2010.
31 Deadline to submit 2009/10 self-assessment tax return if filed on paper.

November 2010

- 2** Submit employer forms P46 (car) for quarter to 5 October 2010.

December 2010

- 30** Last day to submit 2009/10 tax return online to have unpaid tax of up to £2,000 collected through the 2011/12 PAYE code.

January 2011

- 14** Due date for CT61 return and CT payment for quarter to 31 December 2010.
31 Submit 2009/10 self-assessment return online (up to £100 penalty if late). Pay balance of 2009/10 income tax and CGT plus first payment on account for 2010/11.

February 2011

- 2** Submit employer forms P46 (car) for quarter to 5 January 2011.
28 Last day to pay 2009/10 tax to avoid automatic 5% surcharge (unless late payment agreed with HMRC).

March 2011

- 31** Last few days to use any CGT and IHT annual allowances and exemptions.

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