



# Tax Guide

2021/22

## Income Tax

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| <b>Main personal allowances and reliefs</b>  | <b>21/22</b> | <b>20/21</b> |
|--|--------------|--------------|
| Personal allowance*  | £12,570      | £12,500      |
| Marriage/civil partner's transferable allowance  | £1,260       | £1,250       |
| Married couple's/civil partner's allowance at 10%†<br>(if at least one born before 6/4/35) – maximum | £9,125       | £9,075       |
| – minimum  | £3,530       | £3,510       |
| Blind person's allowance   | £2,520       | £2,500       |
| Rent-a-room relief   | £7,500       | £7,500       |
| Property allowance and trading allowance (each)  | £1,000       | £1,000       |

\*Personal allowance reduced by £1 for every £2 of adjusted net income over £100,000

†Married couple's/civil partner's allowance reduced by £1 for every £2 of adjusted net income over £30,400 (£30,200 for 20/21), until minimum reached

| <b>UK taxpayers excluding Scottish taxpayers' non-dividend, non-savings income</b> | <b>21/22</b> | <b>20/21</b> |
|--|--------------|--------------|
| 20% basic rate on first slice of taxable income up to                              | £37,700      | £37,500      |
| 40% higher rate on next slice of taxable income over                               | £37,700      | £37,500      |
| 45% additional rate on taxable income over   | £150,000     | £150,000     |

### **Scottish taxpayers – non-dividend, non-savings income**

|   |          |          |
|---|----------|----------|
| 19% starter rate on taxable income up to  | £2,097   | £2,085   |
| 20% basic rate on next slice up to        | £12,726  | £12,658  |
| 21% intermediate rate on next slice up to | £31,092  | £30,930  |
| 41% higher rate on next slice up to       | £150,000 | £150,000 |
| 46% top rate on income over               | £150,000 | £150,000 |

### **All UK taxpayers**

|   |                 |        |        |
|---|-----------------|--------|--------|
| Starting rate at 0% on band of savings income up to** | £5,000          | £5,000 |        |
| Personal savings allowance at 0%:                     |                 |        |        |
| Basic rate  | £1,000          | £1,000 |        |
| Higher rate   | £500            | £500   |        |
| Additional rate                                       | £0              | £0     |        |
| Dividend allowance at 0%:                             | All individuals | £2,000 | £2,000 |
| Tax rates on dividend income:                         |                 |        |        |
| Basic rate  | 7.5%            | 7.5%   |        |
| Higher rate   | 32.5%           | 32.5%  |        |
| Additional rate                                       | 38.1%           | 38.1%  |        |
| Trusts: Standard rate band generally                  | £1,000          | £1,000 |        |
| Rate applicable to trusts:                            |                 |        |        |
| Dividends   | 38.1%           | 38.1%  |        |
| Other income  | 45%             | 45%    |        |

\*\*Not available if taxable non-savings income exceeds the starting rate band

**High Income Child Benefit Charge**, 1% of benefit per £100 of adjusted net income between £50,000 – £60,000

## Registered Pensions

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|                                 | <b>21/22</b> | <b>20/21</b> |
|---------------------------------|--------------|--------------|
| Lifetime allowance              | £1,073,100   | £1,073,100   |
| Money purchase annual allowance | £4,000       | £4,000       |
| Annual allowance*               | £40,000      | £40,000      |

Annual allowance charge on excess is at applicable tax rate(s) on earnings  
Lifetime allowance charge if excess is drawn as cash 55%; as income 25%  
Pension commencement lump sum up to 25% of pension benefit value

\*Reduced by £1 for every £2 of adjusted income over £240,000 to a minimum of £4,000, subject to threshold income being over £200,000

## State Pensions

|  |                            |                          |
|--|----------------------------|--------------------------|
| New state pension – where state pension age reached after 5/4/16 | <b>Annual</b><br>£9,339.20 | <b>Weekly</b><br>£179.60 |
| Basic state pension – single person*                             | £7,155.20                  | £137.60                  |
| Basic state pension – spouse/civil partner*                      | £4,287.40                  | £82.45                   |

\*State pension age reached before 6/4/16

## Tax Incentivised Investment

|   |                         |                         |
|---|-------------------------|-------------------------|
| <b>Total Individual Savings Account (ISA) limit excluding Junior ISAs (JISAs)</b> | <b>21/22</b><br>£20,000 | <b>20/21</b><br>£20,000 |
| Lifetime ISA  | £4,000                  | £4,000                  |
| JISA and Child Trust Fund   | £9,000                  | £9,000                  |
| <b>Venture Capital Trust (VCT) at 30%</b>   | £200,000                | £200,000                |
| <b>Enterprise Investment Scheme (EIS) at 30%*</b>                                 | £2,000,000              | £2,000,000              |
| EIS eligible for CGT deferral relief  | No limit                | No limit                |
| <b>Seed EIS (SEIS) at 50%</b>   | £100,000                | £100,000                |
| SEIS CGT reinvestment relief  | 50%                     | 50%                     |

\*Above £1,000,000 investment must be in knowledge-intensive companies

## National Insurance Contributions

|   |                 |                 |
|---|-----------------|-----------------|
| <b>Class 1</b>                                      | <b>Employee</b> | <b>Employer</b> |
| NICs rate   | 12%             | 13.8%           |
| No NICs for employees generally on the first        | £184 pw         | £170 pw         |
| No NICs for younger/veteran employees* on the first | £184 pw         | £967 pw         |
| NICs rate charged up to                             | £967 pw         | No limit        |
| 2% NICs on earnings over                            | £967 pw         | N/A             |

### Employment Allowance

Per business – not available if sole employee is a director or employer's NICs for 20/21 £100,000 or more

|   |               |                |               |
|---|---------------|----------------|---------------|
| <b>Limits and Thresholds</b>                              | <b>Weekly</b> | <b>Monthly</b> | <b>Annual</b> |
| Lower earnings limit                                      | £120          | £520           | £6,240        |
| Primary threshold   | £184          | £797           | £9,568        |
| Secondary threshold                                       | £170          | £737           | £8,840        |
| Upper earnings limit<br>(and upper secondary thresholds*) | £967          | £4,189         | £50,270       |

\*Employees generally under 21 years and apprentices under 25 years. Veterans in first 12 months of civilian employment from April 2021.

**Class 1A Employer** On car and fuel benefits and most other taxable benefits provided to employees and directors 13.8%

**Class 2 Self-employed** Flat rate per week £3.05 (£158.60 pa)

### Small profits threshold

No compulsory NICs if annual profits less than £6,515

**Class 4 Self-employed** On annual profits of £9,568 to £50,270: 9%  
Over £50,270: 2%

**Class 3** Voluntary flat rate per week £15.40 (£800.80 pa)

## Capital Gains Tax

|  |              |              |
|--|--------------|--------------|
| <b>Tax Rates – Individuals</b>                                 | <b>21/22</b> | <b>20/21</b> |
| Below UK higher rate income tax band                           | 10%          | 10%          |
| Within UK higher and additional rate income tax bands          | 20%          | 20%          |
| <b>Tax Rate – Trusts and Estates</b>                           | 20%          | 20%          |
| <b>Surcharge</b> for residential property and carried interest | 8%           | 8%           |

### Exemptions

Annual exempt amount: Individuals, estates, etc £12,300 £12,300  
Trusts generally £6,150 £6,150

**Chattels** gain limited to 5/3 rds of proceeds exceeding £6,000 £6,000

### Business Asset Disposal Relief

10% on lifetime limit of £1,000,000

For trading businesses and companies (minimum 5% participation) held for at least 2 years

## Inheritance Tax

|   | 21/22            | 20/21          |
|---|------------------|----------------|
| Nil-rate band*  | £325,000         | £325,000       |
| Residence nil-rate band*†   | £175,000         | £175,000       |
| Rate of tax on excess   | 40%              | 40%            |
| Rate if at least 10% of net estate left to charity                              | 36%              | 36%            |
| Lifetime transfers to and from certain trusts                                   | 20%              | 20%            |
| Overseas domiciled spouse/civil partner exemption                               | £325,000         | £325,000       |
| 100% relief: businesses, unlisted/AIM companies, certain farmland/<br>buildings |                  |                |
| 50% relief: certain other business assets e.g. farmland let before 1/9/95       |                  |                |
| Annual exempt gifts of:   | £3,000 per donor | £250 per donee |

### Tapered tax charge on lifetime gifts within 7 years of death

| Years between gift and death | 0-3 | 3-4 | 4-5 | 5-6 | 6-7 |
|------------------------------|-----|-----|-----|-----|-----|
| % of death tax charge        | 100 | 80  | 60  | 40  | 20  |

\*Up to 100% of the unused proportion of a deceased spouse's/civil partner's nil-rate band and/or residence nil-rate band can be claimed on the survivor's death

†Estates over £2,000,000: the value of the residence nil-rate band is reduced by 50% of the excess over £2,000,000

## Stamp Duties And Property Transaction Taxes

**Stamp Duty and SDRT:** Stocks and marketable securities 0.5%

### Additional residential and all corporate residential properties

£40,000 or more – add 3% to SDLT rates and 4% to LBTT and LTT rates

### England & N Ireland – Stamp Duty Land Tax (SDLT) on slices of value

| Residential property | %  | Commercial property | % |
|----------------------|----|---------------------|---|
| Up to £125,000*      | 0  | Up to £150,000      | 0 |
| £125,001*–£250,000*  | 2  | £150,001–£250,000   | 2 |
| £250,001*–£925,000   | 5  | Over £250,000       | 5 |
| £925,001–£1,500,000  | 10 |                     |   |
| Over £1,500,000      | 12 |                     |   |

\*0% on slice up to £500,000 (8/7/20–30/6/21) and £250,000 (1/7/21–30/9/21)

**First time buyers:** 0% on first £300,000 for properties up to £500,000

**Non-resident purchasers:** 2% surcharge on properties £40,000 or more

**Residential properties** bought by companies etc over £500,000: 15% of total consideration, subject to certain exemptions

### Scotland – Land and Buildings Transaction Tax (LBTT) on slices of value

| Residential property | %  | Commercial property | % |
|----------------------|----|---------------------|---|
| Up to £145,000*      | 0  | Up to £150,000      | 0 |
| £145,001–£250,000    | 2  | £150,001–£250,000   | 1 |
| £250,001–£325,000    | 5  | Over £250,000       | 5 |
| £325,001–£750,000    | 10 |                     |   |
| Over £750,000        | 12 |                     |   |

\*Any changes to 0% to be confirmed

**First time buyers:** 0% on the first £175,000

### Wales – Land Transaction Tax (LTT) on slices of value

| Residential property | %   | Commercial property | % |
|----------------------|-----|---------------------|---|
| Up to £180,000*      | 0   | Up to £225,000      | 0 |
| £180,001–£250,000    | 3.5 | £225,001–£250,000   | 1 |
| £250,001–£400,000    | 5   | £250,001–£1,000,000 | 5 |
| £400,001–£750,000    | 7.5 | Over £1,000,000     | 6 |
| £750,001–£1,500,000  | 10  |                     |   |
| Over £1,500,000      | 12  |                     |   |

\*Any changes to 0% to be confirmed

## Corporation Tax

|                              | Profits | Diverted profits | Loans to participators |
|------------------------------|---------|------------------|------------------------|
| Years to 31/3/22 and 31/3/21 | 19%     | 25%              | 32.5%                  |

## Value Added Tax

|   |         |                    |            |
|---|---------|--------------------|------------|
| Standard rate   | 20%     | Domestic fuel      | 5%         |
| Reduced rate on hospitality, holiday accommodation and attractions: |         |                    |            |
| 15/7/20 – 30/9/21:  | 5%      | 1/10/21 – 31/3/22: | 12½%       |
| Since 1/4/17: Registration level                                    | £85,000 | Deregistration     | £83,000    |
| Flat rate scheme turnover limit                                     |         |                    | £150,000   |
| Cash and annual accounting schemes turnover limit                   |         |                    | £1,350,000 |

## Car Benefits

Taxable amount based on original list price and CO<sub>2</sub> emissions in g/km.

**Zero emission cars** 1%

**Petrol and diesel hybrids** with CO<sub>2</sub> emissions 1–50g/km

| Range – electric-only miles   | < 30 | 30–39 | 40–69 | 70–129 | 130+ |
|-------------------------------|------|-------|-------|--------|------|
| Registered pre-6/4/20 (NEDC)  | 14%  | 12%   | 8%    | 5%     | 2%   |
| Registered post-5/4/20 (WLTP) | 13%  | 11%   | 7%    | 4%     | 1%   |

**All non-diesel cars over 50g/km CO<sub>2</sub>**

|                               | 51–54 | 55 & over |
|-------------------------------|-------|-----------|
| Registered pre-6/4/20 (NEDC)  | 15%   | 16%*–37%  |
| Registered post-5/4/20 (WLTP) | 14%   | 15%*–37%  |

\*Increased for every: extra 5g/km by 1% up to the maximum 37%

**Diesels** not meeting RDE2 standards: add 4%, up to 37% maximum

| Fuel Benefit – taxable amount for private use               | 21/22   | 20/21   |
|---|---------|---------|
| CO <sub>2</sub> % charge used for car benefit multiplied by | £24,600 | £24,500 |

## Vans – For Private Use

|                                  | 21/22  | 20/21  |
|----------------------------------|--------|--------|
| Zero emission: chargeable amount | Nil    | £2,792 |
| Other vans: chargeable amount    | £3,500 | £3,490 |
| Fuel: chargeable amount          | £669   | £666   |

## Tax-Free Business Mileage Allowance – Own Vehicle

|                                  |              |                       |
|----------------------------------|--------------|-----------------------|
| Cars and vans first 10,000 miles | 45p per mile | then 25p per mile     |
| Qualifying passenger             | 5p per mile  |                       |
| Motorcycles                      | 24p per mile | Bicycles 20p per mile |

## Main Capital And Other Allowances

|  |            |                      |
|--|------------|----------------------|
| Plant and machinery (P&M) 100% annual investment allowance   |            |                      |
| (1st year): 1/1/19 – 31/12/21                                | £1,000,000 | From 1/1/22 £200,000 |
| P&M super-deduction first year allowance (FYA) for companies |            |                      |
| from 1/4/21  |            | 130%                 |
| Special rate P&M FYA for companies from 1/4/21               |            | 50%                  |
| Plant and machinery*   |            | 18%                  |
| Patent rights and know-how*                                  |            | 25%                  |
| Certain long-life assets and integral features of buildings* |            | 6%                   |
| Structures and buildings (straight line)                     |            | 3%                   |
| Electric charge points                                       |            | 100%                 |

### Motor Cars

|                                    |                 |         |         |
|------------------------------------|-----------------|---------|---------|
| CO <sub>2</sub> emissions of g/km: | 0 <sup>†</sup>  | 1–50    | Over 50 |
| Capital allowance:                 | 100% first year | 18% pa* | 6% pa*  |

\*Annual reducing balance

†New cars only

## Research and Development

|   |      |
|---|------|
| Capital expenditure   | 100% |
| Revenue expenditure relief – small/medium-sized companies     | 230% |
| Research and development expenditure credit – large companies | 13%  |

## Social Security Benefits

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Weekly rates and taxable unless stated otherwise.

### Employment and Support Allowance (contribution-based taxable)

#### 13-week assessment phase

Aged under 25: up to £59.20      Aged 25 or over: up to £74.70

#### From week 14 after Work Capability Assessment if eligible

In Work Related Activity Group up to £104.40

In Support Group up to £114.10

### Bereavement Support Payments (non-taxable) – initial and for 18 months

Higher rate:\* £3,500 lump sum      £350 monthly

Standard rate: £2,500 lump sum      £100 monthly

\*If entitled to or claiming Child Benefit or pregnant at partner's death

### Statutory Pay Rates

Based on minimum average earnings of at least £120pw:

**Statutory Sick Pay**      £96.35 standard rate

### Statutory Maternity Pay/Statutory Adoption Pay

First 6 weeks – 90% of average weekly pay

Next 33 weeks – 90% of average weekly pay up to £151.97

**Statutory Paternity Pay**      90% of average weekly pay up to £151.97

### Shared Parental Pay

Up to 37 weeks: 90% of average weekly pay up to £151.97

### Child Benefit (see 'Income Tax – High Income Child Benefit Charge')

First or only child      £21.15      Each subsequent child      £14.00

### National Living/National Minimum Wage (hourly) 1/4/21 – 31/3/22

Aged 23 and over      National Living Wage      £8.91

Aged 21–22      National Minimum Wage      £8.36

Aged 18–20      National Minimum Wage      £6.56

Aged under 18      National Minimum Wage      £4.62

Apprentice      National Minimum Wage      £4.30

## Main Due Dates For Tax Payments

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### Income Tax, NICs and Capital Gains Tax – Self-Assessment

31 Jan in tax year } Normally 50% of previous year's income tax  
Following 31 July } (less tax deducted at source) and class 4 NICs

Following 31 Jan      Balance of income tax and class 4 NICs,  
class 2 NICs and balance of CGT

### Inheritance Tax

On death:      Normally 6 months after end of month of death

Lifetime transfer 6 April–30 September:      30 April in following year

Lifetime transfer 1 October–5 April:      6 months after month of transfer

### Corporation Tax – Self Assessment

- Profits under £1,500,000: 9 months + 1 day after end of accounting period
- Profits £1,500,000 or over: normally payable in 7th, 10th, 13th and 16th months after start of the accounting period
- Profits £20,000,000 or over: normally payable in 3rd, 6th, 9th and 12th months after start of the accounting period
- Growing companies: no instalments where profits are £10,000,000 or less and the company was not a large company for the previous year.

## **2021/22 Tax Calendar**

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Make payment on previous working day where due date falls on a weekend/bank holiday.

### **Every month**

**19** Submit CIS contractors' monthly return.

**22** PAYE/NICs/CIS deductions paid electronically for period ending 5th of the month (19th if not paying electronically).

### **Month end**

Submit CT600 for year ending 12 months previously.

Last day to amend CT600 for year ending 24 months previously.

### **April 2021**

**1** Pay any outstanding tax for 2019/20 or make a Time to Pay arrangement, to avoid a late payment penalty

### **July 2021**

**1** SDLT 0% band reduces from £500,000 to £250,000.

**5** Last date to agree a new PAYE Settlement Agreement (PSA) for 2020/21.

**6** Deadline for employers to return forms P11D (expenses) and P11D (b) (benefits) for 2020/21 to HMRC and provide copies to employees.

**22** Pay class 1A NICs (19 July if not paying electronically).

**31** Confirm tax credit claims for 2020/21 and renewal for 2021/22.

Second payment on account for 2020/21 income tax and class 4 NICs.

### **August 2021**

**1** Penalty of 5% of the tax due or £300, whichever is the greater, where the 2019/20 tax return has not been filed.

### **October 2021**

**1** SDLT 0% band reduces from £250,000 to £125,000.

VAT rate on hospitality, holiday accommodation and attractions increases from 5% to 12½%.

**5** Deadline to register for self-assessment for 2020/21.

**22** Pay tax and class 1B NICs on PSAs (19th if not paying electronically).

**31** Deadline for 2020/21 tax return if filed on paper.

### **December 2021**

**30** Deadline to submit 2020/21 tax return online to have underpaid PAYE tax collected through the 2022/23 tax code.

### **January 2022**

**31** Submit 2020/21 self-assessment tax return online. Pay balance of 2020/21 income tax, class 4 NICs, all of class 2 NICs and balance of CGT, plus first payment on account for 2021/22 income tax and class 4 NICs.

### **February 2022**

**1** Initial penalty imposed where the 2020/21 tax return has not been filed or has been filed on paper after 31 October 2021.

### **March 2022**

**2** Last day to pay 2020/21 tax to avoid automatic 5% penalty.

### **April 2022**

**1** VAT rate on hospitality, holiday accommodation and attractions increases from 12½% to 20%

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