

Income Tax Rates

Income Tax Rates:

2009/10		2008/09	
Band £	Rate %	Band £	Rate %
0 - 2,440	10*	0 - 2,320	10
2,441 - 37,400****	20 **	2,321 - 34,800	20 **
Over 37,400****	40 ***	Over 34,800	40 ***

* Only applicable to dividends and savings income.

** Except dividends (10%).

*** Except dividends (32.5%)

Other income taxed first, then savings income and finally dividends.

Income Tax Reliefs:

		2009/10 £	2008/09 £
Personal allowance	- under 65	6,475	6,035
	- 65 - 74 *	9,490	9,030
	- 75 and over *	9,640	9,180
Married couple's allowance (relief at 10%)	- aged less than 75 and born before 6.4.35 *	n/a	6,535
	- 75 and over*	6,965	6,625
	- min. amount	2,670	2,540
	* Age allowance income limit	22,900	21,800
(reduce age allowance by £1 for every £2 of excess income over £22,900)			
Blind person's allowance		1,890	1,800

Inheritance Tax:

Death Rate	Lifetime Rate	Chargeable Transfers	
		2009/10	2008/09
%	%	£'000	£'000
Nil	Nil	0 - 325*	0 - 312*
40	20	Over 325*	Over 312*

*Potentially increased for surviving spouses or civil partners who die on or after 9 October 2007.

Reliefs:

Annual exemption	£3,000	Marriage - parent	£5,000
Small gifts	£250	- grandparent	£2,500
		- bride/groom	£2,500
		- other	£1,000

Reduced charge on gifts within seven years of death:

Years before death	0-3	3-4	4-5	5-6	6-7
% of death charge	100	80	60	40	20

ISAs:

	2009/10	£
Overall investment limit		7,200
Comprising	- cash up to	3,600 max
	- balance in stocks and shares	7,200 max