



# Personal Allowances & Tax Rates

## Income Tax

	2012-2013	2011-12
Basic rate band—income up to	£34,370	£35,000
Starting rate for savings	*10%	*10%
Basic rate	20%	20%
Dividend ordinary rate	10%	10%
Higher rate—income over	£34,370	£35,000
Higher rate	40%	40%
Dividend upper rate	32.5%	32.5%
Additional rate—income over	£150,000	£150,000
Additional rate	50%	50%
Dividend additional rate	42.5%	42.5%

\* Starting rate is for savings income up to the starting rate limit of £2,710 (£2,560) within the basic rate band. The rate applies to any balance of the limit remaining after allocating taxable non-savings income.

Personal Allowances (PA)		2012-13	2011-12
	under 65	* £ 8,105	* £ 7,475
	65 to 74	* £10,500	* £ 9,940
	75 and over	* £10,660	* £10,090

### Married couple's allowance (MCA)

Either partner born before 6 April 1935 (relief restricted to 10%)	* £ 7,705	* £ 7,295
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Ages are as at the end of the tax year. \*Age-related allowances are reduced by £1 for every £2 that adjusted net income exceeds £25,400 (£24,000) to a minimum PA of £8,105 (£7,475) and to a minimum MCA of £2,960 (£2,800). Where adjusted net income exceeds £100,000 (£100,000), PA is reduced in the same way until it is nil.

### Tax Shelters

Enterprise Investment Scheme up to	£1,000,000	£ 500,000
Venture Capital Trust up to	£ 200,000	£ 200,000
'Rent a Room' exempt on gross annual rent	£ 4,250	£ 4,250
Construction Industry Scheme deduction rate	20/30%	20/30%
ISAs: Overall investment limit	£ 11,280	£ 10,680
Including cash maximum of	£ 5,640	£ 5,340
Junior ISA limit	£ 3,600	£ 3,600

## Capital Gains Tax

	2012-13
On chargeable gains	
Total taxable income and gains	
Up to £34,370	18%
From £34,371	28%
Trust rate	28%

### Entrepreneurs' relief

Qualifying gains will be taxed at 10%. Claims may be made on more than one occasion up to a "lifetime" total of £10million.

Annual exempt amount—individuals £10,600 and most trustees £5,300.

Transfers between spouses and civil partners are generally not chargeable.