

TAX FACTS

Budget 2020

Fixed Rate Deductions:

Unincorporated Businesses

Vehicle expenditure	Amount per mile
Motorcars and goods vehicles	45p
Up to 10,000 business miles	25p
Over 10,000 business miles	24p
Motorcycles	

Business use of home

Hours worked per month	Amount per month
25 or more	£10
51 or more	£18
101 or more	£26

Private use of business premises

Number of occupants	Disallowable amount per month
1	£350
2	£500
3 or more	£650

Individual Savings Accounts

Limits	2020/21	2019/20
Annual limit	£20,000	£20,000
Junior ISA annual limit	£9,000	£4,368
Lifetime ISA annual limit	£4,000	£4,000
Help to Buy ISA monthly limit	£200	£200

Investment Reliefs

Investment limit	Income tax relief rate
Enterprise investment scheme ¹	30%
Venture capital trusts	30%
Seed enterprise investment scheme	50%
Social investment relief	30%

Value Added Tax

Standard rate	20%
Reduced rate	5%
Registration threshold	£85,000 pa
Deregistration limit	£83,000 pa
Annual accounting scheme turnover limit	£1,350,000 pa
Cash accounting scheme turnover limit	£1,350,000 pa
Flat rate scheme turnover limit	£150,000 pa

¹ Investment limit is £2,000,000 if any amount over £1,000,000 is invested in knowledge-intensive companies.

Capital Allowances

Dredging	Rate %
(straight-line basis)	4
Writing-down allowance	

Know-how

(reducing balance basis)	25
Writing-down allowance	

Mineral extraction

(reducing balance basis)	25
Writing-down allowances	
General	10

Acquisition of mineral asset

Patent rights

(reducing balance basis)	25
Writing-down allowance	

Plant and machinery

(reducing balance basis)	100
Annual investment allowance – max £1,000,000 pa (max £200,000 pa from 1/1/2021)	

First-year allowances

New cars with CO ₂ emissions 50 g/km or less	100
New gas refuelling stations	100
New zero-emission goods vehicles	100
New assets for use in designated areas of enterprise zones (companies only)	100
New electric charge-point equipment	100

Writing-down allowances

General	18
Cars (other than low-emission cars)	6
Special rate expenditure (including integral features and thermal insulation)	6
Long-life assets	6

Research and development

Allowance	100
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Structures and buildings

(straight-line basis)	3
Writing-down allowance	

Registered Pension Schemes

Individual contributions

Maximum tax-relievable contributions are the higher of:

- 100% of taxable UK earnings; or
- £3,600 (where the scheme applies tax relief at source).

2020/21

Annual allowance	£40,000
Threshold income limit	£200,000
Adjusted income limit	£240,000
Minimum where income exceeds limit	£4,000
Lifetime allowance	£1,073,100

2019/20

Annual allowance	£40,000
Threshold income limit	£110,000
Adjusted income limit	£150,000
Minimum where income exceeds limit	£10,000
Lifetime allowance	£1,055,000

Any unused annual allowance can be carried forward for up to three years.

Tax Credits

Annual amounts 2020/21

Child tax credit	£
Family element	545
Child element (for each child)	2,830
Disabled child element	3,415
Severely disabled child element	4,800

Working tax credit

Basic element	1,995
Lone parent and couple element	2,045
30-hour element	825
Disability element	3,220
Severe disability element	1,390
Childcare element (up to 70% of costs)	Weekly
maximum eligible cost (1 child)	175
maximum eligible cost (2 or more)	300

Income thresholds

Income threshold	6,530
eligible for child tax credit only	16,385
Withdrawal rate	41%
Income rise disregard	2,500
Income fall disregard	2,500