CavanaghKelly

2021 AUTUMN BUDGET

A UPDATE ON THE STATEMENT FROM THE CHANCELLOR

INTRODUCTION

Rishi Sunak delivered the 2021 Autumn Budget amid much speculation of further tax rises in the areas of Capital Gains Tax and Inheritance Tax. The Budget has been remarkable for its absences of either. Also, many announcements in respect of spending plans had already been released.

The headline news for Northern Ireland is £1.6 billion per year extra cash over 3 years, Universal Credit taper rate to be cut by 8%, continued and enhanced funding for Research and Development and £49 million as part of the levelling up fund for specific projects such as upgrading the electric vehicle charging networks across the country.

With most main stream tax provisions remaining unchanged the anticipated tax hikes have not materialised. It's clear the Chancellor is banking on a continued economic recovery to service the ever growing public debt.

While there have been some very limited moves towards introducing targeted relaxation of immigration, the challenges in the labour market and general inflationary pressures are likely to leave the economic outlook challenging, until some form of equilibrium is restored in overall supply and demand.

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PERSONAL TAXES AND RELATED TOPICS

Personal Tax Rates and Allowances

The Personal Tax rates and allowances will remain unchanged for 2022/23. The personal allowance as previously announced will remain at £12,570. The higher rate tax threshold remains at £50,270 and the additional rate threshold remains at £150,000.

New Health and Social Care Levy

As previously announced in September 2021, a new 1.25% health and social care levy will be introduced, initially as an increased national insurance charge, with the proceeds being earmarked for funding health and social care. This increase applies to employees' Class 1 National Insurance, employers' Class 1 National Insurance, and Class 4 National Insurance for the self-employed.

This new charge has been recognised as a necessary support to a struggling health and social care sector. However, it is notable that passive investment income is not affected, so the burden falls disproportionately on earners and employers.

National Living Wage (NLW) and National Minimum Wage (NMW)

From 1 April 2022 the following increases will take affect:

- For individuals over 23 NLW will increase from £8.92 to £9.50 per hour
- For 21-22 year olds NMW will increase from £8.36 to £9.18 per hour
- For 18-20 year olds NMW will increase from £6.56 to £6.83 per hour
- For 16-17 year olds NMW will increase from £4.62 to £4.81 per hour
- The apprentice rate NMW will increase from £4.30 to £ 4.81 per hour

This will increase labour costs for certain sectors dependant on low wage workers. Businesses will need to revaluate their product pricing to cover the additional costs associated with increased wages and increased employers' NICs.

Universal Credit

Universal Credit taper rate will be cut from 63% to 55% no later than 1 December 2021. This will allow claimants to keep more of their Universal Credit if their wages increase.

This will be welcomed by many people who are on low wages especially ahead of the increase in NLW and NMW rates next April.

Increase in Dividend Tax Rates

As previously announced in September 2021, dividend tax rates will increase by 1.25% from 6 April 2022, with the new rates of 8.75%, 33.75% and 39.35% to help fund health and social care as well as to limit the incentive to set up companies and issue dividends to reduce tax payable.

This increase is in line with the 1.25% increase in National Insurance announced at the same time, with an aim of ensuring the burden for funding the additional pressure on the NHS is shared equally. Business owners will now look to consider the most appropriate way to remunerate themselves as fulltime working directors and shareholders.

Basis Period Reform Goes Ahead as Planned

Currently, sole traders or partnerships prepare accounts for a 12-month period decided by themselves. The first set of accounts may be less or more than a 12-month period and can often result in part or all of those early profits being taxed twice and only relieved when the trade ceases or the accounting year end changes.

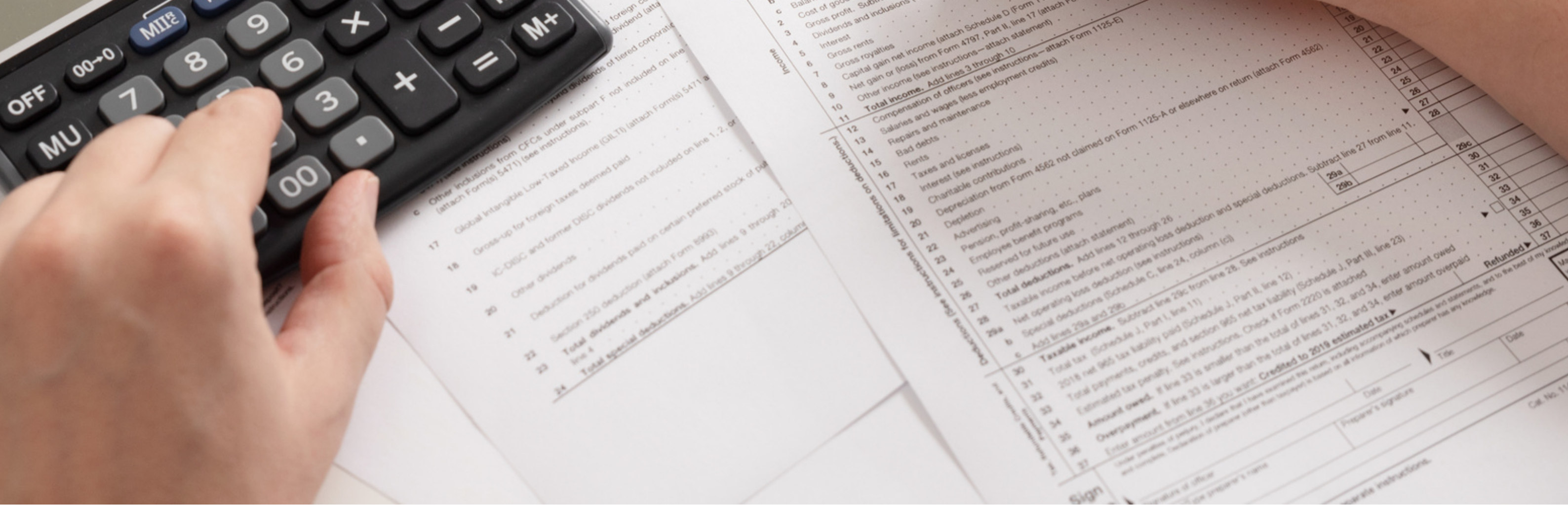
The proposed changes are that all sole traders and partnerships will have the same accounting year end which will correspond to the tax year.

This reform will be welcomed by many as it creates a fairer and more transparent set of rules for the allocation of trading income to the tax year in which it arises. It will ultimately reduce double taxation in early years of trading. However, this will also reduce the time available to prepare accounts and submit tax returns. Sole traders should now look at their basis periods and consider changes to their accounting reference date where there is an opportunity to release overlap profits.

Public Service Pension Reform Remedy

Several pension tax changes have been introduced to address the tax treatment of pension remedies paid following a 2015 finding that that members of public service pension schemes were unlawfully discriminated against for their age. The changes will increase the affected individuals' annual allowance to avoid additional annual allowance charges and introduce a tax exemption on compensation received. These changes will come into effect from 6 April 2022.

This measure will impact individuals who were members of public service pension schemes on or before 31 March 2012 and at any time between 1 April 2015 and 31 March 2022.



Capital Gains Tax (CGT) on Residential Property Disposals

Since 6 April 2020, UK residents disposing of a residential property with a CGT liability have 30 days to report the disposal and pay the tax liability to HMRC. This has now been extended to 60 days for all residential property disposals on or after 27 October 2021.

This is a welcome announcement which has extended the timeframe for reporting the disposal to HMRC, especially for complex disposals.

Car and Van Fuel Benefit Charges

From 6 April 2022, employers who provide employees with cars or vans which are available for private use will see a small increase in the level of taxable benefits arising.

The flat rate van benefit charge will increase from £3,500 to £3,600 and the flat rate van fuel benefit charge will increase from £669 to £688.

Car benefit rates will be calculated based on CO2 emissions and electric mileage range in line with previous announcements, and the flat rate car fuel benefit charge will increase from £24,600 to £25,300.

There have been very little changes to car and van fuel benefit charges this year.

Discovery Assessments

HMRC can use discovery assessments to impose a tax charge on an individual where they have failed to notify HMRC that they were liable to a tax charge relating to:

- the High Income Benefit Charge (HICBC);
- tax on gift aid donations where the taxpayer has paid insufficient tax in the year to cover what the charity is reclaiming; and
- pension charges e.g. where breaches of the lifetime allowance or annual allowance have occurred.

HMRC has reconfirmed its ability to use these assessments to recover tax in a way that treats such individuals in a manner that ensures no unfair advantage over taxpayers who have been compliant

Dormant Assets Scheme Expansion

The Dormant Assets Scheme aims to reunite people with their financial assets. It is believed that there are billions of unclaimed financial assets in old bank accounts, pensions, life assurance and investments. The Government through the Dormant Asset Scheme allows this unclaimed reserve to be distributed in support of social and environmental initiatives.

To ensure that individuals will not face penalties for failure to account for tax at the time the assets proceeds were put into the fund, the expansion ensures that any gain is only treated as occurring at the time of a reclaim.

Individuals with a successful claim for repayment of their asset are in the same tax position as they would have been without the scheme.

BUSINESS TAXES

Annual Investment Allowance

The Spring Budget 2021 saw the announcement of the super-deduction which temporarily provides enhanced rates of relief for qualifying expenditure up to 31 December 2021.

The latest measure announced will encourage business investment by extending the temporary increase of the annual investment allowance (AIA) to £1,000,000 for qualifying expenditure during the period from 1 January 2022 to 31 March 2023.

This will be of particular benefit to those businesses who may be ineligible for the super-deduction and incentivise those businesses already spending up to the £200,000 threshold to increase or accelerate their capital expenditure plans.

This is great news for companies investing in their future, and softens the transition to the new higher rate of corporation tax which comes into effect on the 1st April 2023. No doubt group structures and the tendency to have multiple companies will come back under the spotlight as there will then be a mainstream corporation tax rate and a lower rate (proposed at 19%) with profits in the band from £50,000 to £250,000 being taxed at marginal rates of 26.5%.

Research & Development

In a bid to drive economic growth and job creation the UK Government has pledged further investment in Research & Development (R&D) and innovation.

Public R&D investment will reach record levels of £20bn by 2024-25 and will ensure that the economy-wide target to invest 2.4% of GDP in R&D by 2027 is well on way to being achieved. This will include funding for various UK/EU programmes and will cement the UK as a global science and technology superpower.

In addition to the above support, the UK government is reforming R&D tax reliefs to support modern research methods. The inclusion of cloud computing and data costs from 1 April 2023 will ensure that the UK R&D regime more effectively captures the benefits of cutting-edge research methods.

With only £26bn of the £48bn expenditure on R&D by UK companies happening within the UK, R&D tax relief is now increasingly focused on innovation within the UK. Currently, many other countries do not offer relief for R&D activities performed overseas, unlike the UK.

There is a positive feeling following the announcements about the future focus on R&D. The extension of qualifying costs is welcome and a move in the right direction.

Abolition of Cross-Border Group Relief

The existing provisions which allow for losses of EEA-resident companies to be relieved against the profits of UK companies in certain limited circumstances are being removed. It will no longer be possible for non-UK group companies to surrender losses to UK companies in any circumstances.

This will affect a very small number of companies as the existing provisions were already very restrictive.

Residential Property Developer Tax

This new 4% tax will apply to companies undertaking residential property development that have annual profits over £25m.

It has been introduced as part of the Government's new Building Safety Package to fund the replacement of unsafe cladding on residential buildings. The first £25m of profits will be covered by an annual allowance, with the remainder taxable at 4% after an adjustment to restrict finance costs. It does not apply to profits from commercial development so it will be necessary for companies to keep separate records of their residential and non-residential profits. This measure takes effect for profits arising from 1 April 2022 onwards.

For those larger corporates that carry out both residential and commercial developments it will require them to identify their profits or losses arising from each type of development to check if this new tax will apply.

Creative Industry Tax Reliefs

A number of changes have been made to the existing Theatre Tax Relief (TTR), Orchestra Tax Relief (OTR), Museums and Galleries Exhibition Tax Relief (MGETR), Film Tax Relief (FTR), and High-end TV Relief (HETR):

- MGETR which was due to end on 31 March 2022 has been extended for a further 2 years
- The terms of each relief will be amended slightly from 1 April 2022 onward to target them better and ensure that they are safeguarded from abuse
- The rates of the additional tax deductions available under each relief are increasing temporarily between 27 October 2021 and 31 March 2023 from 20/25% to 45/50%, gradually falling back to 20/25% in 2023 and 2024
- Production companies will be able to switch between claiming FTR and HETR during production. This will ensure that companies are not penalised for changing their distribution model part way through production

The increase in the rates of relief will be a welcome announcement for the cultural sector which has been under considerable strain due to Covid closures and restrictions. The proposal will assist the local creative industry around film making and offer flexibility in terms of the route to market for the production.

Tonnage Tax Reform

The Tonnage Tax is a special Corporation Tax regime which operators of qualifying ships can elect into. Following the UK's exit from the EU, these provisions have been reformed to reduce the administrative burden and encourage ships to operate under a UK flag.

Amendment to Reform of Loss Relief for Corporation Tax

The reform of loss relief in 2017 restricted losses carried forward in certain circumstances. One of the exemptions from the restriction was for companies in financial distress. However, some companies with profits arising from lease renegotiations which were also in financial distress were unintentionally excluded from this exemption. The amendment announced in the 2021 Autumn Budget ensures that such businesses benefit from this exemption.

This will ensure that the legislation continues to work as originally intended.

VAT AND STAMP TAXES

VAT on Cars Brought from GB to NI

Following the UK's exit from the EU, motor vehicle dealers in Northern Ireland have been unable to use the VAT Margin Scheme on second-hand cars and have been negatively affected compared to the rest of the UK. Two new measures were introduced today to combat this issue. An interim arrangement has been put in place to allow the Margin Scheme to still be operated on vehicles from GB and registered prior to 1 January 2021. It will have retrospective effect from 1 January 2021 and will continue to apply until a new scheme comes into effect. A new Second-Hand Motor Vehicle Export Refund Scheme will then be introduced in 2022 to enable NI motor traders who purchase second-hand vehicles from GB to claim a refund.

This will be welcomed by the motor industry which has been waiting for many months on an announcement on a scheme to put them on equal footing with the rest of the UK.

VAT Exemption for Dental Prostheses Imports

This is another measure to retrospectively deal with an inequality arising from the UK's exit from the EU. Under the Northern Ireland Protocol, dental protheses imported from GB to NI are subject to standard rate VAT which dental practitioners are not able to reclaim as their services are exempt from VAT. This new exemption applies from the end of the transition period i.e. 11pm on 31 December 2020.

This exemption puts dentists in the same VAT position as they were pre-Brexit.

EXCISE DUTIES

Fuel Duty Frozen

Fuel duty will not increase as previously planned.

This is welcome news given the increasing cost of fuel at petrol stations recently.

Changes to Rebated Diesel and Biofuels

The changes announced in earlier budgets will come into force from 1 April 2022. These changes will restrict the use of rebated diesel and biofuels to sectors such as agriculture, fish farming and forestry, rail, non-commercial heating such as churches and hospitals, golf courses, community sports clubs and marine craft refuelling and operating in the UK. This is a measure to help meet climate change targets.

Interestingly propelled private pleasure craft in Northern Ireland will not be able to use rebated fuels.

Alcohol Duty Overhaul

Alcohol duties are to be reformed, with a reduction in the number of different rates from 15 to 6.

The new rates will be linked to alcohol content, so some will increase and some will decrease. It was also announced that the existing duty premium on sparkling wines is being removed.

Vehicle Excise Duty (VED) Rates

From 1 April 2022 the VED rates for all cars, vans, motorcycles and motorcycle trade licences will increase in line with the Retail Price Index (RPI).

Heavy Goods Vehicle (HGV) Levy Suspension

The HGV levy was suspended for 24 months from 1 August 2020 to support the haulage sector as it recovered from COVID-19 and is being suspended for a further 12 months from 1 August 2022. HGV levy rates will also remain frozen in 2022 and 2023.

Plastic Packaging Tax

Following the announcement of a new Plastic Packaging Tax in the 2020 budget, the government has recently made several minor amendments to the design and implementation of this tax and potential exemptions. It will commence in April 2022 as expected. A flat rate charge of £200 per tonne will be applied on packaging which does not consist of at least 30% recycled materials – with the exception of small businesses purchasing less than 10 tonnes.

The Plastic Packaging Tax will incentivise recycling and collection of plastic waste, diverting it away from landfill or incineration.

Tobacco Duty

The duty rate on all tobacco products will continue to increase by 2% above inflation, with the exception of hand-rolling tobacco which will increase to 6% above inflation.

The new Tobacco Duty rates will have effect from 27 Oct 2021.

The tobacco duty will affect manufacturers, importers, retailers and consumers of tobacco products.

ANTI-AVOIDANCE LEGISLATION

Clamp Down on Promoters of Tax-Avoidance

HMRC will be given new powers aimed at promotors and enablers of tax avoidance schemes. These are new freezing order powers to prevent promotors hiding their assets before paying penalties, additional penalties for UK entities that have facilitated the schemes being offered by offshore promotors, ability to wind up companies promoting such schemes, and ability to name the promotors at an early stage to warn potential or existing clients of the promotors to avoid or leave the schemes. This new legislation will apply when the Finance Bill is given Royal Assent.

HMRC believe these additional powers will support taxpayers to avoid such schemes or leave them as soon as possible.

New Economic Crime (Anti-Money Laundering) Levy

A new AML levy is being introduced which will apply to medium or large entities (based on UK turnover) that are regulated under the Money-Laundering, Terrorist Financing and Transfer of Funds Regulation 2017. This will affect accountants, solicitors, estate agents, banks and credit unions, etc. A fixed fee of £5k to £15k will be payable by medium-sized entities, £30k to £50k will be payable by large entities, and £150k to £250k will be payable by very large entities.

The charge will take affect for the year beginning on 1 April 2022 and the first payments will be due from April 2023.

This is a measure to raise funds to pay for government initiatives to tackle money laundering.

Notification of uncertain tax treatment for large businesses

This is a measure that will only affect large businesses with turnover of more than £200 million or balance sheet total over £2bn. It requires any tax treatment which is not in accordance with HMRC's known policy or a provision has been made in the accounts due to uncertainty to be notified to HMRC. This covers corporation tax, VAT or Income Tax and applies from 1 April 2022.

This is a measure that is likely to affect a minority of businesses in Northern Ireland but it is a good indication of the continued increase in powers being given to HMRC.

EXISTING RELIEFS

Extension to Loss Relief due to Covid

Trade loss relief rules for the self-employed are currently:

- Offset against general income for the loss-making year and/or the previous year
- The losses available to offset in the year are capped at £50k or 25% of the adjusted net income in the tax year

Due to the pandemic this legalisation was extended to include the following:

- Trade losses arising in 2020/21 & 2021/22 which are unrelieved losses in year can be carried back and set against profits of the same trade for 3 years before the tax year of the loss
- Individuals can carry back losses from 2020/21 to the earliest 2 years for the extended period (2017/18 & 2018/19)- capped at £2m in total
- Individuals can carry back losses from 2021/22 to the earliest 2 years for the extended period (2018/19 & 2019/20)- capped at £2m in total
- Time limit for making the claim for 2021 tax year is 31 January 2023 and time limit for making the claim for 2022 tax year is 31 January 2024

This is a Covid tax relieving provision which continues and needs to be kept under review by all self-employed individuals so as to obtain the best possible utilisation of losses and minimise tax exposure.

Reliefs on Residential Property Disposals

From April 2020 two Capital Gains Tax (CGT) reliefs on the disposal of residential properties have been amended. Principle Private Residence (PPR) and Lettings Relief help reduce the CGT gain on residential disposals. PPR is now only available for the actual time the owner lived in the property and the last 9 months of ownership. Letting Relief is now only available if the owner and tenant lived in the property at the same time, so if the property has only been let out since the owner vacated the property no Letting Relief will be available.

RATES & ALLOWANCES TABLE

Personal Taxation

	2022/2023	2021/2022
Personal Allowance (Note 1)	**£12,570**	£12,570
Personal Savings Allowance		
Basic rate taxpayers	**£1,000**	£1,000
Higher rate taxpayers	**£500**	£500
Marriage Allowance (10% Relief) (Note 2)	**£1,260**	£1,260
Married Couples Allowance (10% Relief)		
Elder spouse born before 6 April 1935	**£9,415**	£9,125
Age allowance income limit (born before 6 April 1948)	**£31,400**	£30,400
Minimum allowance where income exceeds limit	**£3,640**	£3,530
Blind Person's Allowance	**£2,600**	£2,520

Note 1 – Personal allowance will be removed at a rate of £1 of the allowance for every £2 over £100,000 until it is completely removed.
Note 2 – Marriage allowance is only available where one spouse does not pay tax and can transfer this allowance to their spouse who pays tax at the basic rate

Income Tax

	2022/2023	2021/2022
Starting savings rate (Savings Income only)	**0%**	0%
On taxable income up to	**£5,000**	£5,000
Basic rate	**20%**	20%
On taxable income up to	**£37,700**	£37,700
Higher rate	**40%**	40%
On taxable income between	**£37,701-£150,000**	£37,701-£150,000
Additional Rate	**45%**	45%
On taxable income over	**£150,000**	£150,000

Dividends

	2022/2023	2021/2022
Dividend Allowance	**0%**	0%
On taxable income up to	**£2,000**	£2,000
Basic rate	**8.75%**	7.5%
On taxable income between	**£2,001 - £37,700**	£2,001 - £37,700
Higher rate	**33.75%**	32.5%
On taxable income between	**£37,701-£150,000**	£37,701-£150,000
Additional Rate	**39.35%**	38.1%
On taxable income over	**£150,000**	£150,000

National Insurance Contributions

Class 1: Employed Earners - Weekly Earnings	**2022/2023**
Employee	
Earnings up to £190	0%
Earnings between £190 and £967	13.25%
Earnings over £967	3.25%
Employer	
Earnings up to £190	0%
Earnings between £190 and £967 (under-21s)	0%
Earnings between £190 and £967 (apprentices under 25)	0%
Earnings over £190 (all other employees)	15.05%

The reduced rate payable by women married before 6 April 1977 will be 7.1% on earnings between £190 and £967 a week, plus 3.25% on earnings above £967 a week.

Class 2: Self Employed Persons	**2022/2023**	**2021/2022**
Weekly contribution rate	£3.15	£3.05
Lower profits limit	£6,725	£6,515
Class 3: Voluntary Contributions	**2022/2023**	**2021/2022**
Weekly contribution rate	£15.85	£15.40

Class 4: Self Employed Person - Annual Profits	**2022/2023**
Profits up to £9,880	0%
Profits between £9,880 and £50,270	10.25%
Profits over £50,270	3.25%

Corporation Tax

	FY22 to 31/03/2023	FY21 to 31/03/2022
Rate applicable to all companies	**19%**	19%
Annual Investment Allowance (AIA)	**£1,000,000***	£1,000,000
*AIA reducing to £200k from 01/01/2021		

Inheritance Tax

	2022/2023	2021/2022
Nil Rate Band	£325,000	£325,000
Additional Residence Nil Rate Band	£175,000	£175,000
Lifetime rate	20%	20%
Death Rate	40%*	40%*
*A lower rate of 36% will be charged where at least 10% of the estate has been left to a charity.		

Capital Gains Tax

	2022/2023	2021/2022
Annual Allowance	£12,300	£12,300
Standard Rate	10%	10%
Standard Rate (residential property)	18%	18%
Higher Rate	20%	20%
Higher Rate (residential property)	28%	28%
Entrepreneurs' Relief effective rate	10%	10%
Entrepreneurs' Relief lifetime limit of gains	£1,000,000	£1,000,000
Investors' Relief effective rate	10%	10%
Investors' Relief lifetime limit of gains	£10,000,000	£10,000,000

VAT

	2022/2023	2021/2022
Lower Rate	**5%**	5%
Standard Rate	**20%**	20%
Registration threshold	**£85,000**	£85,000
Deregistration threshold	**£83,000**	£83,000

Pensions

	2022/2023	2021/2022
Annual allowance	£40,000*	£40,000*
Lifetime allowance	£1,073,100	£1,073,100
Money Purchase Annual Allowance	£4,000	£4,000
*Annual allowance restricted to minimum of £4k for individuals earning over £200k		

Stamp Duty Land Tax (SDLT)

Purchase of Residential Property	First property rate	Additional property rate
0 – £125,000	0%	3%
£125,001 – £250,000	2%	5%
£250,001 – £925,000	5%	8%
£925,001- £1,500,000	10%	13%
Over £1,500,000	12%	15%
Purchase by first-time buyers		
0 – £300,000	0%	
£300,001 – £500,000	5%	
>£500,000	Normal rates	
Purchase of Non-residential Property		
0 – £150,000	0%	
£150,001 – £250,000	2%	
Over £250,000	5%	
Lease of Non-residential Property		
- on the Net Present value of lease payments		
0 – £150,000	0%	
£150,001 – £5,000,000	1%	
Over £5,000,000	2%	
- on lease premiums		
0 – £150,000	0%	
£150,001 – £250,000	2%	
Over £250,000	5%	
Rates apply to the portion of consideration within each band.		

Stamp Duty

Transfer of Shares & Marketable Securities 0.5%

Income Tax Reliefs and Incentives

	2022/2023 limit	Income Tax Relief	2021/2022 limit	Income Tax Relief
Enterprise Investment Scheme (EIS)				
- standard	**£1,000,000**	30%	£1,000,000	30%
- additional for investments in knowledge-intensive companies only	**£100,000**	30%	£1,000,000	30%
Seed Enterprise Investment Scheme (SEIS)	**£100,000**	50%	£100,000	50%
Venture Capital Trust (VCT)	**£200,000**	30%	£200,000	30%
Individual Savings Account (ISA) *	**£20,000**		£20,000	
Junior ISA (per child)	**£9,000**		**£9,000**	
*The ISA allowance can be split between any combination of cash ISA, stocks and shares ISA, or finance ISA.				

Taxable Car and Fuel Benefits

The taxable car benefit for 2022/2023 is calculated as a percentage of the car's list price based on carbon dioxide (CO_2) emissions as follows:

Cars registered before 6 April 2020	**Petrol and Diesel (if RDE2 compliant)**	**Diesel (if not RDE2 compliant)**
Cars emitting below 50g / km of CO_2:		
- Electric range of >130 miles	2%	N/A
- Electric range of 70-129 miles	5%	N/A
- Electric range of 40-69 miles	8%	N/A
- Electric range of 30-39 miles	12%	N/A
- Electric range of <30 miles	14%	N/A
Cars emitting >50 /km of CO_2	15%	17%
For each additional 5g / km of CO_2	1%	1%
Maximum benefit where CO_2 at least 160g / km	37%	37%

Cars registered on or after 6 April 2020	**Petrol and Diesel (if RDE2 compliant)**	**Diesel (if not RDE2 compliant)**
Cars emitting below 50g / km of CO_2:		
- Electric range of >130 miles	1%	N/A
- Electric range of 70-129 miles	4%	N/A
- Electric range of 40-69 miles	7%	N/A
- Electric range of 30-39 miles	11%	N/A
- Electric range of <30 miles	13%	N/A
Cars emitting >50 /km of CO_2	14%	17%
For each additional 5g / km of CO_2	1%	1%
Maximum benefit where CO_2 at least 170g / km	37%	37%

Fuel benefit for cars is calculated by applying the relevant car CO_2 emissions percentage to £25,300.

The private use of vans attracts a scale charge of £3,600 pa.

Taxable fuel benefit for private use of a company van is £688 for 2021/2022.

The appropriate percentage for purely electric cars for the purposes of company car tax is 1%.

Approved Mileage Rates for Employees Use of Own Vehicles for Business Travel

Cars/Vans	
-First 10,000 Business Miles Per Annum	45p
-Excess over 10,000 Miles	25p
-Each Passenger Making Same Trip	5p
Motor Cycles	24p
Bicycles	20p

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We have made every effort to ensure the information provided in this document is accurate, but we cannot accept responsibility for the consequences of any action you take in reliance on it contents. If you have any matters which you would like to discuss further, one of our staff will be pleased to help you.

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