

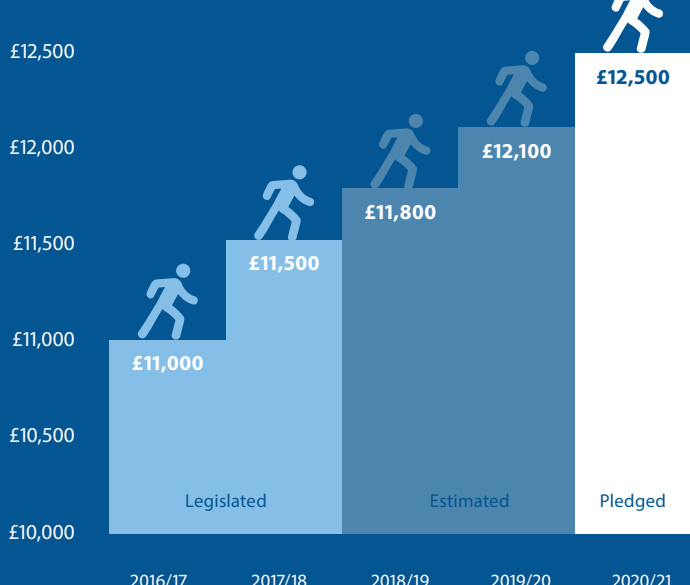
# Personal tax



## ✓ Main personal allowance increases to £11,500 for 2017/18

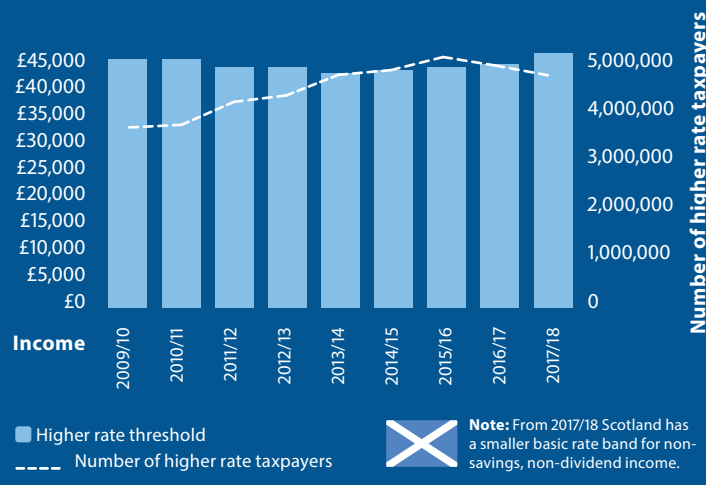
Both current and previous Chancellors have reiterated an election pledge to raise the personal allowance to £12,500 by the end of this parliament in 2020. However, as yet no legislation exists to put this into force.

### Personal allowance – past, present and future



### Higher rate threshold and taxpayers

The number of higher rate taxpayers has been rising until recently and despite the drop since 2015/16 is still projected to represent over 1 in 7 income tax payers.



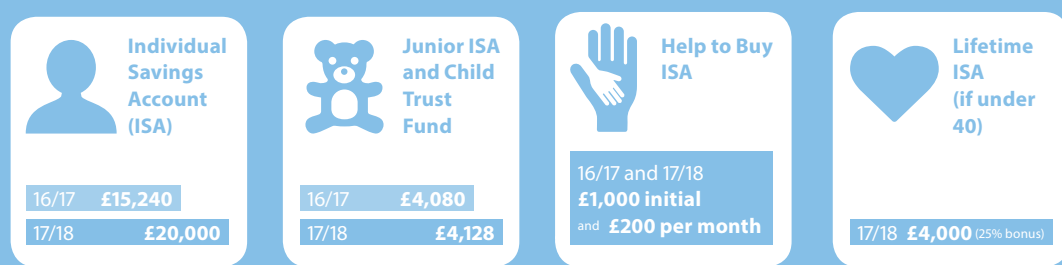
# Savings and pensions



## ✓ Lifetime ISA joins the ISA family

The standard ISA investment limit rises to £20,000 from 6 April 2017. At the same time, a new Lifetime ISA will be available for individuals under 40.

- Funds, including a new 25% bonus, can be used to buy a first home at any time from 12 months after opening an account.
- All withdrawals are tax and penalty free from age 60.



## ✓ A helping hand with pension advice

If you need pension and retirement advice, you can draw up to £1,500 from your pension pots (with a maximum of £500 on each occasion) from April 2017, free of any tax charge.

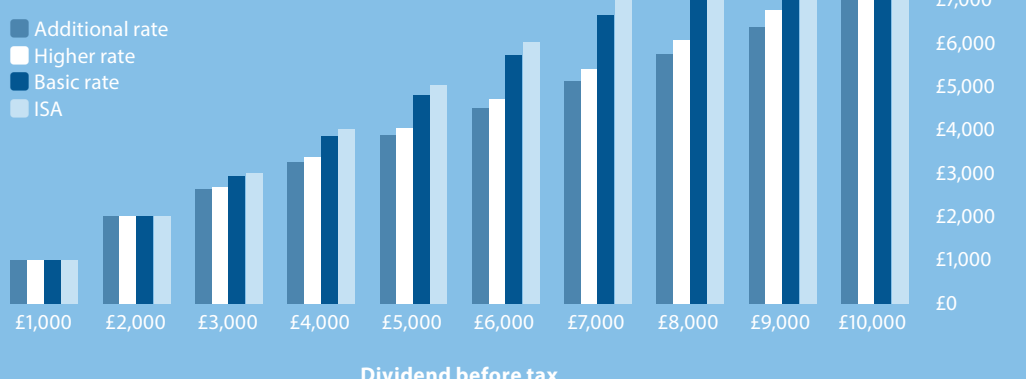
The existing tax exemption of up to £500 for pensions advice paid for by your employer remains available in addition.



### ISA tax savings on dividends from 2018/19

The dividend allowance for 2017/18 is £5,000, but will drop to £2,000 from 2018/19.

The graph shows the net income for basic, higher and additional rate taxpayers based on differing levels of dividend income and the £2,000 dividend allowance from 2018/19.



# Capital gains tax

## ✓ The capital gains tax (CGT) annual exemption is £11,300 in 2017/18

If you don't use it, you lose it and that could mean more tax to pay in the future. If you do use your exemption, tax on gains is generally much lower than tax on income.

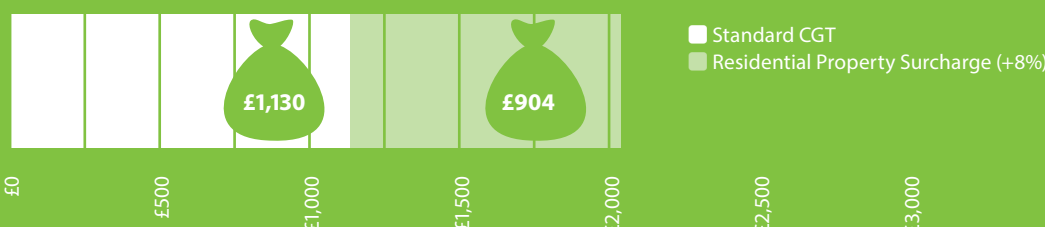


### Potential tax savings from the CGT annual allowance

Higher / Additional Rate (20%)



Basic Rate (10%)



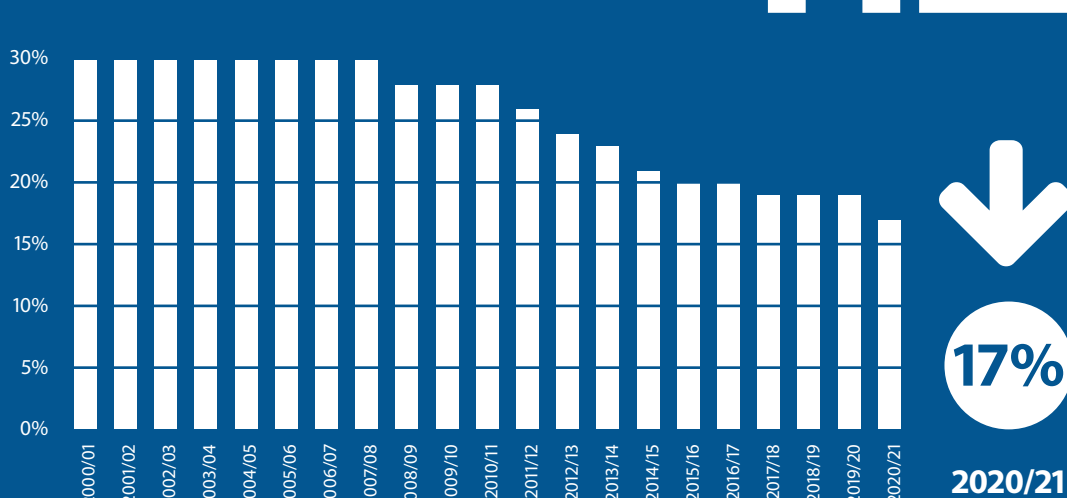
Remember, you can usually sell personally and then repurchase immediately via an ISA or a SIPP without being caught by the "bed-and-breakfast" anti-avoidance rules.

# Corporation tax

## ✓ Corporation tax heading down

Businesses should welcome the 1% cut to 19% corporation tax from April 2017, with a further 2% cut to 17% due three years later. Since 2000, this is a decrease by nearly half.

### Main corporation tax rates 2000/01 – 2020/21



**30%**  
2000/01

**17%**  
2020/21

# Inheritance tax

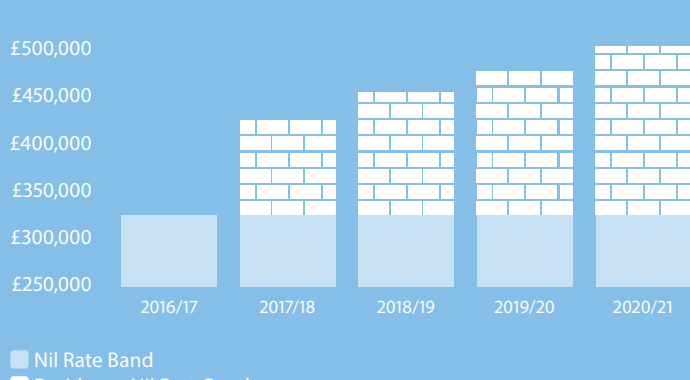


## ✓ Main inheritance tax (IHT) annual exemption is £3,000 per tax year

You can also gift £250 a year IHT-free to as many people as you wish, other than recipients of the £3,000. The potential tax savings can mount up if these exemptions are used regularly.

### Inheritance nil rate bands

The nil rate band is frozen at £325,000 until April 2021, but the new main residence nil rate band is due to increase from £100,000 in 2017/18 by £25,000 a year for the following three years.



### Make use of your IHT annual exemptions

