



## Income tax, Personal allowances and Tax credits

<b>Income tax rates</b>		
	<b>2016/17</b>	<b>2017/18</b>
<b>Starting rate band</b>	<b>£0 - £5,000</b>	<b>£0 - £5,000</b>
Savings rate	0%	0%
<b>Basic rate band</b>	<b>£0 - £32,000</b>	<b>£0 - £33,500</b>
Non-savings rate	20%	20%
Dividend ordinary rate	7.5%	7.5%
<b>Higher rate</b>	<b>£32,000 - £150,000</b>	<b>£33,500 - £150,000</b>
Tax rate excluding dividends	40%	40%
Dividend ordinary rate	32.5%	32.5%
<b>Additional rate</b>	<b>Over £150,000</b>	<b>Over £150,000</b>
Tax rate excluding dividends	45%	45%
Dividend additional rate	38.1%	38.1%
<b>Personal allowances</b>		
	<b>2016/17</b>	<b>2017/18</b>
<b>Personal allowances</b>	<b>£11,000</b>	<b>£11,500</b>
Income limit for Personal allowance	£100,000	£100,000
Dividend allowance	£5,000	£5,000
Savings Allowance basic rate band	£1,000	£1,000
Savings Allowance higher rate band	£500	£500
<small>(Additional rate taxpayers do not receive a Savings Allowance)</small>		
<b>Married couple's allowances (relief at 10% when either partner born before 6 April 1935)</b>		
- maximum amount	£8,355	£8,445
- minimum amount	£3,220	£3,260
* - Age allowance income limit	£27,700	£28,000
Blind person's allowance	£2,290	£2,320



Hugh Davies & Co.  
CHARTERED ACCOUNTANTS

<b>Tax credits</b>	<b>2016/17</b>	<b>2017/18</b>
<b>Working tax credit (WTC)</b>		
Basic element	£1,960	£1,960
Childcare element		
70% of eligible costs up to £175 per week (£300 if two or more children)		
<b>Child tax credit (CTC)</b>		
Child element per child – max	£2,780	£2,780
Family element	£545	£545
<b>Reductions in maximum rates</b> 41% of income above £6,420*p.a.		
*If only CTC is claimed, the threshold is £16,105 p.a.		
<b>Child Benefit rates</b>		
Eldest/only child	£20.70pw	£20.70pw
Childcare element	£13.70pw	£13.70pw

For more information, contact Hugh, Karen or Michael at Hugh Davies & Co on 01722 336647.