



Income tax, Personal allowances and Tax credits

Income tax rates		
	2017/18	2018/19
Starting rate band	£0 - £5,000	£0 - £5,000
Savings rate	0%	0%
Basic rate band	£0 - £33,500	£0 - £34,500
Non-savings rate	20%	20%
Dividend ordinary rate	7.5%	7.5%
Higher rate	£33,500 – £150,000	£34,500 – £150,000
Tax rate excluding dividends	40%	40%
Dividend ordinary rate	32.5%	32.5%
Additional rate	Over £150,000	Over £150,000
Tax rate excluding dividends	45%	45%
Dividend additional rate	38.1%	38.1%
Personal allowances		
	2017/18	2018/19
Personal allowances	£11,500	£11,850
Income limit for Personal allowance	£100,000	£100,000
Dividend allowance	£5,000	£2,000
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>		
Married couple's allowances (relief at 10% when either partner born before 6 April 1935)		
- maximum amount	£8,445	£8,695
- minimum amount	£3,260	£3,360
* - Age allowance income limit	£28,000	£28,900
Blind person's allowance	£2,320	£2,390



Hugh Davies & Co.
CHARTERED ACCOUNTANTS

Tax credits	2017/18	2018/19
Working tax credit (WTC)		
Basic element	£1,960	£1,960
Childcare element		
70% of eligible costs up to £175 per week (£300 if two or more children)		
Child tax credit (CTC)		
Child element per child – max	£2,780	£2,780
Family element	£545	£545
Reductions in maximum rates 41% of income above £6,420*p.a.		
*If only CTC is claimed, the threshold is £16,105 p.a.		
Child Benefit rates		
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.