



THOMAS COX & CO

Taxing matters

NEWS UPDATE

The national minimum wage (NMW) hourly rates which will apply from 1 October 2011 are:

adult rate £6.08 (a 15p increase) :
18–20 year olds £4.98 (6p increase)
16–17 year olds £3.68 (4p increase) :
apprentices £2.60 (10p increase)

The apprentice rate applies to apprentices aged under 19, and those aged 19 and over but in the first year of their apprenticeship. Apprentices aged 19 or over who have completed at least one year of their apprenticeship are entitled to the full NMW rate applicable to their age.

There is a sharp increase in the taxable car benefit on many company cars with effect from 6 April 2012. This is by reference to a new emissions scale which creates an income tax charge (and Class 1A national insurance liability) for the private use of a company car on 10% of the car's list price from 76 g/km to 99 g/km, rising by 1% per 5 g/km to the usual maximum of 35% (there is also a reduced charge on 5% where the emissions do not exceed 75 g/km). That may not sound much of an increase, but it is in fact a 50% increase in tax if you have a company car with CO2 emissions of 120 g/km, or 40% if they are between 115 and 119 g/km. We can advise of the exact tax charge in your particular circumstances, and include advanced warning of a further but more modest increase in the taxable benefit from 2013/14 of 1% of the list price where the CO2 emissions are between 95 and 219 g/km.

Tax returns for the year to 5 April 2011 filed late will incur a penalty even if the correct amount of tax is paid on time or indeed there is no more tax to pay. Arguably that was a move which could have been expected before now, and at least the basic penalty stays at £100. What may not be so apparent to those of you who tend not to pass the papers we need until close to or even after the deadline (31 January 2012 for the tax return for the year to 5 April 2011) is how quickly penalties can now stack up. The new penalties for late filing of Self Assessment returns result in, for example, an overall penalty after 3 months delay of £10 per day up to a maximum of £900.

Please therefore help us to help you - by giving us enough time to prepare your tax return well before the deadline of 31 January 2012.

Keeping more of what you earn

Our Introducers Day held on the 29th September saw the launch of some highly innovative and straightforward new tax planning opportunities that are available to most businesses and their owners. We had 35 Professional contacts for the morning's detailed session and a number of our individual customers then attended a more personal presentation in the afternoon. Please contact Peter if you feel that you could benefit, or if you have business contacts or friends who would welcome the opportunity to save so much more of what they earn..

Something Wicked (from The Times) (aka 'Excellent Use of Taxpayers Money No. 17,325,678)

Civil servants spent £5,000 on a "bongo-drumming" away-day, £258 on finger puppets and £120 for cakes using government-issued credit cards. Vince Cable (remember "Calamity Cable") has been fined £500 for failing to register his self employed earnings for VAT. You have also kindly bought John Bercow a suit for 'state occasions' which apparently cost £3,200.

Peter
2nd November, 2011

**BUILDING YOUR
BUSINESS VALUE**

THOMAS COX & CO
4 HOME FARM
LUTON HOO ESTATE
BEDFORDSHIRE
LU1 3TD

TEL: 01582 482224
FAX: 01582 720605
EMAIL: PETER@THOMASCOX.CO.UK
WEB: WWW.THOMASCOX.CO.UK