

 Income Tax Rates		Note	2009/10	2008/09
Savings starting rate band to			£2,440	£2,320
Savings starting tax band rate			10%	10%
Basic rate band			£37,400	£34,800
Basic tax rate			20%	20%
Savings rate			20%	20%
Tax on UK dividends within starting (2009/10) and basic rate bands			10%	10%
Higher rate - taxable income over			£37,400	£34,800
Higher tax rate			40%	40%
UK dividend rate			32.5%	32.5%
Trusts				
Trust rate			40%	40%
Schedule F trust rate			32.5%	32.5%
Allowances that reduce taxable income				
Personal allowance (PA)	under 65	1	£6,475	£6,035
	65 to 74	1,3	£9,490	£9,030
	75 and over	1,3	£9,640	£9,180
	Blind person's allowance		£1,890	£1,800
Allowances that reduce tax				
Married couple's allowance (MCA)				
Tax reduction	74	1,2,3	N/A	£653.50
	75 and over	1,2,3	£696.50	£662.50
The age-related allowances are progressively withdrawn if income exceeds			£22,900	£21,800
Minimum PA			£6,475	£6,035
Minimum MCA tax reduction			£267	£254
Tax Shelters				
Enterprise Investment Scheme (EIS) up to			£500,000	£500,000
Venture Capital Trust (VCT) up to			£200,000	£200,000
Golden Handshake max.			£30,000	£30,000
Rent a Room - exempt on gross annual rent up to			£4,250	£4,250
Construction Industry Scheme - deduction rate				
Standard rate - registered			20%	20%
Higher rate - not registered			30%	30%

Notes

1. Ages are as the end of the tax year. Ages for the MCA relate to the elder of spouse or civil partner.
2. MCA is available only to those couples where at least one spouse or civil partner was born before 6 April 1935.
3. The higher rates of personal allowances are reduced by £1 for each £2 of excess income over £22,900 (2008/09 £21,800) until the basic allowance is reached. Similar limits apply to the married couple's allowance: the loss of tax reduction is 10p for each £2 of excess income until the minimum of £267 (2008/09 £254) is reached. (For couples married before 5 December 2005, only the husband's income is taken into account. For those married on or after 5 December 2005 or in a civil partnership, only the higher earner's income is taken into account).