



## 2020/21 Business Taxes

### Corporation Tax

<b>Year commencing</b>	1st April 2020	1st April 2019
	19%	19%

### Value Added Tax

<b>Standard Rate</b>	
From 1st April 2020	20.00%
<b>VAT fraction</b>	
From 1st April 2020	1/6
<b>Turnover registration limit</b>	£85,000
<b>Turnover deregistration limit</b>	£83,000
<b>Cash/annual accounting registration limit</b>	£1.35m excl. VAT
<b>Cash/annual accounting deregistration limit</b>	£1.6m excl. VAT
<b>Flat rate scheme income registration limit</b>	£150,000 excl. VAT
<b>Flat rate scheme income deregistration limit</b>	£230,000 incl. VAT
<b>VAT Scale Charge:</b>	Now based upon the CO2 Emissions of the vehicle concerned
	<a href="#">Should you be VAT registered?</a>

### Mileage Allowances

The maximum tax-free mileage allowances for employees using their own cars for business are as follows:

2020/21	First 10,000	10,000+ miles
Car & Van	45p	25p
Motorcycle	24p	24p
Bicycle	20p	20p

Notes:

- 1 Payments in excess of approved rates are taxable
- 2 Where payments are made at rates less than the approved rates, employees can claim tax relief on shortfall

### Vehicle Benefits

Chargeable on all directors and employees

**Car benefit\*:** This is now calculated as a percentage of the original list price of the vehicle

**Car fuel benefit\*:** This is now calculated as a percentage of a fixed sum of £24,500

\* Percentage used will be dependent on the level of CO<sub>2</sub> vehicle emissions, electric cars may be at 0%

**Van benefit:** £3,490 if there is any private use. Travel between home and work is not considered private use

**Van fuel benefit:** £666

### Main Capital Allowances

**Motor Cars** (based on CO<sub>2</sub> emissions)

Less than 50g/km CO<sub>2</sub> - 100%;

50-110g/km CO<sub>2</sub> - 18% rb;

More than 110g/km CO<sub>2</sub> - 6% rb

**Plant & Machinery** \* - 18% rb

**Computer Equipment** \* - 18% of rb

**Integral features** - 6% rb

**Goodwill** - 4% on certain unconnected party transactions only

**Structures and Buildings Allowance (SBA) - 3% sl**

\* Annual Investment Allowance- 100% allowance on certain capital expenditure up to £200,000 from January 2016, increasing to £1m from 1st January 2019 back to £200K from 1 Jan 2021

rb = reducing balance sl=straight line basis

[Is buying a company car worth it?](#)

**The one thing which hasn't changed this tax year is Research & Development (R&D) tax credits.**

R&D Tax Credits can transform your business if you have created or improved a product, process or service, by rewarding innovation and refuelling growth. So why aren't you making a claim?

You have nothing to lose in finding out if you are eligible or making a claim (we offer no win, no fee) Book your free discovery session with one of our advisers by calling **01474 853 856** or emailing [discovery@a4g-llp.co.uk](mailto:discovery@a4g-llp.co.uk)