



## E-Update: March 2011

This month Robert Bradley looks at the new measures introduced by the March 2011 budget.

Dear All,

You are receiving this newsletter as a client or business contact of Bradley & Associates. Should you no longer wish to receive it at this Email address please follow the link below or email me your preferred address so that I can continue to keep you updated. *This month focuses on changes introduced in the March 2011 budget.*

**Approved mileage allowance payments (AMAPs )** – The 40p (first 10,000 miles) and 25p (10,001+ miles) rates that have been available for 14 years for employees using their own vehicles for business journeys have been amended. The rate for the first 10,000 business miles will increase from 6 April 2011 to 45p. There is no change to the 25p rate. An additional 5p that can be paid tax free for carrying a fellow-employee passenger on a business journey has been expanded to include volunteers that work for the organisation.

**Capital Gains Tax** – the Budget confirmed that there will be three main rates of capital gains tax in 2011/12; 10% for net gains qualifying for entrepreneurs' relief, 18% for other gains that fall within the individual's basic rate band and 28% in all other cases. The annual exemption will be £10,600. It should be noted that the lifetime limit for entrepreneurs' relief has again been increased; to £10m with effect from 6 April 2011.

**Car fuel benefit** – the multiplier for 2011/12 will increase from £18,000 to £18,800. For up to date Car Benefit tables click [here](#)

**Van benefit** – the flat rate van and van fuel benefits have been frozen at £3,000 and £500 respectively for 2011/12.

**VAT** – The registration threshold (and the linked limit for 3 line accounts in the self-assessment tax return) will be £73,000 from 1 April 2011. The deregistration threshold will become £71,000. The fuel scale charge tables have been updated for VAT periods commencing on or after 1 May 2011 and details can be found [here](#).

**PAYE Penalties** - HMRC have published a reminder to employers about the new penalties for the current tax year. Failure to pay PAYE and NI on time can mean fines starting from 1% of the amount due, where payments are late more than once, up to 4% where payment is late eleven or more times during the tax year.

Regards,

Robert Bradley

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