



# CLIC

## TAX GUIDE 2024-25 BUSINESS TAXES

### VAT (VALUE ADDED TAX)

<b>Standard rate:</b> From 1st April 2024	20%
<b>VAT fraction:</b> From 1st April 2024	1/6
<b>Turnover registration limit:</b>	£90,000
<b>Turnover deregistration limit:</b>	£88,000
<b>Cash/annual accounting registration limit</b>	£1.35m excl. VAT
<b>Cash/annual accounting deregistration limit</b>	£1.6mil 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

### MAIN CAPITAL ALLOWANCES

<b>Motor cars</b> (based on CO2 emissions)	
<b>0g/km CO2:</b>	100% FYA only if purchased new
<b>Less than 50g/km CO2:</b>	18%
<b>51g/km CO2 or more:</b>	6% rb
<b>Plant &amp; machinery*</b>	18% rb
<b>Computer equipment*</b>	18% rb
<b>Integral features</b>	6% rb
<b>Goodwill</b>	4% on certain unconnected party transactions only
<b>Structures &amp; Buildings Allowance</b>	3% sl
<small>*Annual Investment Allowance: 100% allowance on certain capital expenditure up to £1mil (per group of associated companies) from 1st January 2019 onwards</small>	
<b>Full expensing rate on P&amp;M</b>	100% FYA
<b>Full expensing special rate</b>	50% FYA
<b>New zero emissions goods vehicles, new electric charge point equipment</b>	100%

rb =  
reducing balance  
sl =  
straight line basis

### CORPORATION TAX

	1st Apr 2024	1st Apr 2023
<b>Profits</b>		
£0 - £50,000	19%	19%
£250,000+	25%	25%
Marginal relief band £50,000 - £250,000	effective rate of 26.5%*	

\*Profits in the MRB are taxed at 25% and receive marginal relief at a fraction of 3/200. For example, a company with taxable profits of £100,000 will pay tax at an overall rate of 22.75%.

Where a limited company is controlled by the same company, person or persons as another limited company, they are associated for tax purposes and the thresholds are divided by the total number of associated companies.

For more information, please see this article:

[What is an associated company?](#)

### MILEAGE ALLOWANCES

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

2024/25	First 10k miles	10k+ miles
Car & van	45p	25p
Motorcycle	24p	24p
Bicycle	20p	20p

Notes:

- Payments in excess of approved rates are taxable
- 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 £27,800

\*Percentage used will be dependent on the level of CO2 vehicle emissions. Electric cars may be at 0%.

#### Van benefit:

£3,960 if there is any private use. Travel between home and work is not considered private use.

#### Van fuel benefit\*:

£757