

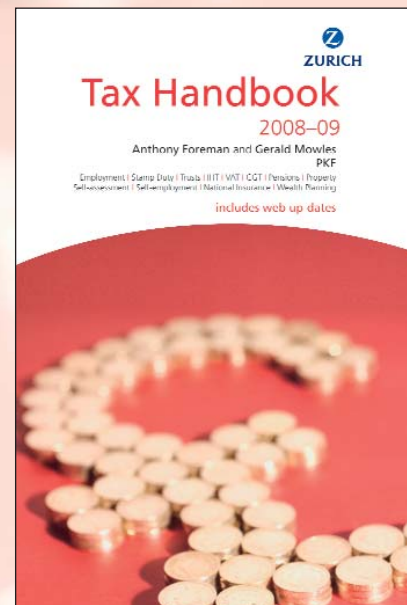
# TAX HANDBOOK 2008/09

The **Zurich Tax Handbook** is your complete guide to taxation in the UK. Presenting completely up-to-date taxation law and legislation in a language you can understand, this indispensable book will give you comprehensive coverage of each and every aspect of UK taxation.

Relied on by over 15,000 investment professionals, the **Zurich Tax Handbook's** 800+ pages are divided into 40 key chapters, each one offering you unrivalled detail, illustrated worked examples, checklists and tax saving tips.

Essential reading for professional advisers and private individuals alike, the **Zurich Tax Handbook** has been fully revised and updated by our independent expert authors, Anthony Foreman and Gerald Mowles. Their coherent and specialist analysis provides you with an insight into the changes following the Finance Act 2008, and what these actually mean in practice.

In addition, to ensure you remain completely up-to-date with taxation issues and developments, you'll have access to our FREE web update service.



## What's new to this edition?

### Introduction

- What's new for 2008 and 2009?

### Self-assessment

- Changes to the filing date for 2007-08
- New format for Tax Return

### HMRC and You

- Shorter enquiry window for HMRC from this year
- HMRC introduce new facility for advance rulings

### Employment income

- Exemption from benefit in kind charge where overseas holiday home is held in a company
- New advisory fuel rates from 1 July 2008
- New scale rates for company cars

### Share Incentives

- Foreign domiciliaries and not ordinarily resident brought within the charging provisions from 6 April 2008
- EMI limit increased to £120,000
- New definition of qualifying company excludes companies with more than 249 employees

### Self-employment

- New restriction on sideways loss relief for non-active sole traders

### Income from UK property

- Reduction in writing down allowances for integral building plant
- Changes in rates of agricultural buildings allowances and industrial buildings allowances

### Savings income

- Tax credits for foreign dividends
- Increase in rate of retention tax from July 2008

### Other income

- New rules on distributor funds

### Capital gains tax

- CGT exemption increased to £9,600
- Taper relief and indexation abolished from 6 April 2008

### Computation of business profits and capital allowances

- First-year allowances for small businesses
- First-year allowances for medium-sized businesses
- 100% first-year allowances for refurbishing business premises in disadvantaged areas
- Abolition of ABA, IBA and hotel balancing charges and allowances

### Capital gains tax and business transactions

- Entrepreneurs relief

### Tax and companies

- Rate of corporation tax reduced to 28%
- Small companies rate increased to 21%
- ECA Tax credits

### Outline of VAT

- New registration threshold

### Pensions

- Pensions annual allowance increased to £235,000

### Life assurance

- Discounted gift schemes

### Inheritance tax and individuals

- Transfer of unused nil rate band to spouse
- No IHT relief for debt

### The taxation of trusts

- Trustees, not the settler, are taxed on capital gains from 6 April 2008 where the trust is a settler-interested trust
- Certain trusts may qualify for CGT Entrepreneurs relief

### Chapter 32 Anti-avoidance

- Anti-avoidance
- HMRC lose the Arctic case but the Government plans new legislation to counter income splitting for FA 2009
- Foreign domiciled shareholders in non-resident companies may be taxed on the company's capital gains
- Foreign domiciled beneficiaries now subject to capital gains tax on capital payments from non-resident trusts

## ABOUT THE AUTHORS:

**Anthony Foreman** is a partner with PKF (UK) LLP and specialises in personal tax planning. He is a Fellow of the Chartered Institute of Taxation and has specialised in tax planning for 30 years.

**Gerald Mowles** was formerly with PKF. He is a partner with BBL UK and specialises in personal tax planning, especially for foreign nationals resident in the UK.

### Residence status

- Days of arrival may now be counted for the 183-day test

### Income and gains of foreign domiciliaries

- £30,000 special charge
- New rules on remittances
- Irish income may now come under the remittance basis

### Being subject to two tax regimes

- Use of offshore companies to hold overseas property

### Some special types of taxpayer

- The green taxpayer

### Charities and not for profit organisations

- Transitional supplement to gift aid repayments
- New limits for benefits to Gift Aid donors

### Stamp duty

- Clampdown on abuse of provisions for Islamic alternative finance
- Group relief loophole blocked
- Anti-avoidance rules on partnerships
- Relief for zero carbon new flats

### Tax tables

- Increased personal allowances matched by reduction in the increase in the basic rate band make up for the abolition of the 10% rate of income tax from 2008-09

**PTO: For detailed contents list**

