



Suite 4 Earlshouse; Earlsway, TVTE, Gateshead, NE11 0RY
t: (0191) 491 0019 f: (0191) 491 0016 e: info@rwco.net W: www.rwco.net

MONTHLY NEWSWIRE

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LOW EMISSION BUSINESS CARS

Last month we mentioned that the 100% tax write-off for a low emission car is due to end on 31 March 2015, and that from 1 April next year the level of qualifying CO2 emissions to get the full tax write-off goes down sharply from the current 110 g/km to 95 g/km.

If you like the idea of getting a 100% tax write-off of the purchase price in one go, but at the same time prefer to have a car with a degree of performance, take a look at the Mini Cooper 1.6D. It uses 104 g/km of CO2 emissions (watch out if you go for some performance extras which increase CO2 emission levels), which is within the current limit, but won't be from April 2013. With 0 to 60 in just under 10 seconds it certainly has its attractions if you purchase one before next April!

There are some other examples which we will be pleased to run through with you. Naturally enough, if you run a business as a sole trader or partner, the tax write-off is reduced by reference to any private use of the car.

PLANNING FOR THE 45% TAX RATE

In the May edition of Tax E-News we gave some preliminary ideas for taking advantage of the reduction in the top tax rate from 50% to 45% as from 6 April next year. We will have a look at some other ideas in later editions, but what you should know is the effect it will have on the income tax payable on dividends, whether received from your own company or from investments.

These are the effective tax rates on the cash dividend received:

your tax rate	effective tax on dividends
20%	nil
40%	25%
45% from 6/4/13	30.55%
50% to 5/4/13	36.1%

So if you pay tax at the top rate, a dividend of, say, £10,000 will cost you £3,610 in tax if paid in the current tax year, but if delayed until 6 April 2013 that goes down to £3,055. That is a tax saving of £555 or 5.55% - well worth having if it is possible to defer payment. No doubt quoted companies will plan their dividend dates carefully to help their personal shareholders.

DO YOU HAVE TO FILE A TAX RETURN?

Somewhat surprisingly, HMRC are trying to reduce the number of tax returns they get from individuals. In particular they have published their unofficial list of those for whom they will normally ask for a tax return, so that if you are not on that list for any particular tax year you can relax and not bother with a tax return at all!

That is not strictly true, however, as even if you do not come within the list you still need to declare any income or capital gains where a tax liability arises and the tax paid at source is not sufficient to cover the full amount due.

Leaving that aside, HMRC have indicated that they only want a tax return if you are within ANY of the following categories:

- self-employed or a partner in a business at any time in the year
- a company director
- receive income of over £100,000
- receive more than £10,000 in savings and investment income
- receive income from letting out property
- receive foreign income liable to UK tax
- employee claiming expenses or professional subscriptions of at least £2,500

MARKETING SERVICES

To stay competitive, providers need to consider more strategic approaches to marketing.

Great Work Speaks for Itself

Delivering outstanding results in the present is the foundation of a successful marketing strategy.

Your Website

Even with a referral in hand, the majority of prospective clients head straight to your web site before they call you. Your site has the power to create a positive first impression that can mean the difference between getting a follow-up call from the client and losing that opportunity.

Follow the Leader

Mimic only the market leaders in your sector – after all, they are the best for a reason.

Remember, your business should not limit itself to simply imitating the activities of the market leading firm. Copy the best bits of the leading firm's marketing strategy and add other really good initiatives in order to make your strategy even more successful.

RW & Co
Suite 4, Earls House, Earls Way, Team Valley
Gateshead, NE11 0RY
Tel: 0191 4910019 Fax: 0191 4910016
e-mail: info@rwco.net