



Barlow Andrews

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How to save tax before 6 April 2008

By considering and taking action on the points mentioned below, your tax bill can be significantly reduced:

Income Tax

- Personal pension contributions can be made of up to 100% of your salary or £225,000 if lower.
- Up to £60,000 can be taken off your tax bill by investing in shares in a Venture Capital Trust.
- Up to £80,000 can be taken off your tax bill by investing in shares in an Enterprise Investment Scheme.
- In certain cases, a lump sum of up to £5,225 to your spouse and/or child who works in the business can be made tax free rather than being taxed on you at 40%.
- Charitable donations can be made before or just after 6 April 2008 and be set off against your income for 2007-08.
- Delaying your new company car until after 6 April 2008 could result in only 10% of its list price being a taxable benefit in kind.

Capital Gains Tax

- The annual exemption is £9,200 per individual – a transfer to your spouse before sale could save you £3,680 (40% of £9,200).
- Delaying the sale of certain investment properties until after 6 April 2008 could be taxed at 18% rather than 40%.
- Transfer of assets purchased before April 1998 in your sole name to your spouse to preserve your indexation allowance.

Inheritance Tax

- Making cash gifts of up to £6,000 to reduce your taxable estate.
- Making use of the exemption for normal gifts out of income for amounts above £6,000.
- Making use of the nil rate band for transfers of assets up to £300,000.

If you want to know how to save tax before 6 April 2008, please contact Tim Lwin at tl@barlow-andrews.co.uk or Mark Sheen at mrcs@barlow-andrews.co.uk.