

Isle of Man / UK Tax Comparisons 2009 - 2010



1. PERSONAL TAXATION

Income Tax Rates

<u>IOM</u>	<u>RATE</u>
£1 - £10,500	10%
Over £10,500	18%
Non-Resident Rate	18%
Individual income tax liability is capped at £100,000 or £200,000 if jointly assessed	
<u>UK*</u>	<u>RATE</u>
£0 - £2,440 on savings income only	10%
Basic Rate	20%
Higher rate on income over £37,400	40%

*A rate of 50% on those earning in excess of £150,000 will be introduced in the UK for the tax year 2010/11.

Personal Allowances

<u>IOM</u>	<u>£</u>
Single Person	9,200
Married Couple	18,400
Non-Resident	2,120

Age Allowance	2,000
<u>UK</u>	
Under age 65	6,475
Age 65 – 74	9,490
Age 75 and over	9,640
<u>UK Married Couple/Civil Partners</u>	
(minimum) at 10% where at least one spouse/partner born before 06/04/1935	2,670
Age less than 75 and born before 6/4/1935	N/A
Age 75 and over	6,965

IOM Mortgage Interest and Loan Interest

Tax relief is granted pound for pound in the Isle of Man on interest paid to Manx resident lenders up to £15,000 per individual.

Income Tax: Example Calculations

Taxpayer, single, aged 30 with an income of £100,000 pa.

IOM:	<u>£</u>
Total income	100,000
Less allowance	<u>(9,200)</u>
Taxable income	90,800
£10,500 x 10%	1,050

80,300 x 18%	<u>14,454</u>
Tax payable	15,504

UK:	£
Total income	100,000
Less allowance	<u>(6,475)</u>
Taxable income	93,525
£37,400 x 20%	7,480
£56,125 x 40	<u>22,450</u>
Tax payable	29,930

Inheritance Tax

IOM

There is no charge to IHT in the Isle of Man. **2.**

UK

The threshold at which IHT is payable is currently £325,000 above which IHT is payable at 40% (subject to exemptions and reliefs).

Capital Gains Tax (CGT)

IOM

There is no charge to CGT in the Isle of Man.

UK

Gains on chargeable assets are currently taxed at 18%.

VAT

Both the IOM and UK VAT rates are currently 15% returning to 17.5% from 1st January 2010.

Under the flexibility provided by the Customs & Excise Agreement with the UK, the Isle of Man applies a reduced 5% rate of VAT to certain supplies including hotel accommodation, gas and electricity.

STAMP Duty

IOM

There is no stamp duty payable in the Isle of Man.

UK

Stamp Duty Land Tax

(based on consideration)

Commercial property:
Over £150,000 - £250,000 1%

Residential property:
Over £175,000* - £250,000 1%
(*£125,000 from 1/1/2010 or
£150,000 in disadvantaged areas)

All property:
Over £250,000 up to £500,000 3%
Over £500,000 4%

CORPORATE TAXATION

Isle of Man Company Tax Rates

General Rate of Corporate Income Tax = 0%

Higher rate of 10% corporate income tax on income from the following sources:

1. Income arising from banking business
2. Income derived from land and property situated in the Isle of Man

Attribution Regime for Individuals

For accounting periods commencing on or after 6th April 2008 Isle of Man resident individuals having an interest in a "relevant company" will be liable to Manx income tax on their share of attributed profits from that company.

Corporate Charge

An annual charge of £250 is collected as part of a company's annual return filing fee.

UK Corporation Tax

PROFITS (£)	RATE (%)
0 – 300,000	21
300,001 – 1,500,000	29.75
1,500,001 and over	28

Should you have any questions or requests or information please contact@

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