

## EXAMINABLE DOCUMENTS - JUNE AND DECEMBER 2013

### Papers F6 (UK) Taxation and P6 (UK) Advanced Taxation

The following notes refer to Papers F6 (UK) and P6 (UK) only. Guidance for other variant papers – where available – is published on the ACCA website.

Legislation which received Royal Assent on or before 30 September annually will be assessed in the examination sessions being held in the following calendar year. Therefore, examinations in June and December 2013 will be assessed on legislation which received Royal Assent on or before 30 September 2012.

#### Finance Act

The latest Finance Act which will be examined in Papers F6 (UK) and P6 (UK) at the June and December 2013 sessions is the Finance Act 2012.

With regard to prospective legislation where, for example, provisions included in the Finance Act will only take effect at some date in the future, such legislation will not normally be examined until such time as it actually takes effect. The same rule applies to the effective date of the provisions of an Act introduced by statutory instrument.

#### Articles

The following relevant articles have been published in *Student Accountant* and are also available on the ACCA website:

##### F6 (UK):

- Finance Act 2012 – September 2012
- Adjustment of profit questions – November 2009
- Examiner's approach to Paper F6 (UK) – February 2011
- Benefits – January 2013
- Motor cars – January 2013

The following articles are updated each year for changes in the Finance Act

- Inheritance tax (Parts 1 & 2)
- Chargeable gains (Parts 1 & 2)
- Value added tax (Parts 1 & 2)
- Groups
- Overseas aspects of corporation tax

##### P6 (UK):

- Finance Act 2012 – September 2012
- Examiner's approach to Paper P6 (UK) – September 2012
- Examiner's approach to section A questions – October 2012
- Stepping up from paper F6 to paper P6 – October 2012
- Exam technique and fundamental issues – October 2012
- Improve your performance in P6 (UK) – November 2012

The following articles are updated each year for changes in the Finance Act

- Trusts and tax for P6 (UK)
- Corporation tax for P6 (UK)
- Capital gains tax and inheritance tax for P6 (UK)
- International travellers for P6 (UK)
- Corporation tax for groups for P6 (UK)
- Taxation of unincorporated business for P6 (UK)

## Supplementary Instructions and Tax Rates and Allowances

The following supplementary instructions and tax rates and allowances will be reproduced in the exam paper in the June and December 2013 exams. The tick (✓) indicates whether this information is included, and therefore examinable, in Paper F6 (UK) and Paper P6 (UK). In addition, other specific information necessary for candidates to answer individual questions will be given as part of the question.

SUPPLEMENTARY INSTRUCTIONS				F6	P6
1.	You should assume that the tax rates and allowances for the tax year 2012/13 and for the financial year to 31 March 2013 will continue to apply for the foreseeable future unless you are instructed otherwise.				✓
2.	Calculations and workings need only be made to the nearest £.			✓	✓
3.	All apportionments should be made to the nearest month.			✓	✓
4.	All workings should be shown.			✓	✓
Income tax					
		Normal rates	Dividend rates	✓	✓
		%	%		
Basic rate	£1 – £34,370	20	10		
Higher rate	£34,371 to £150,000	40	32.5		
Additional rate	£150,001 and over	50	42.5		
A starting rate of 10% applies to savings income where it falls within the first £2,710 of taxable income.					
Personal allowances					
			£	✓	✓
Personal allowance	Standard		8,105		
Personal allowance	65 – 74		10,500		
Personal allowance	75 and over		10,660		
Income limit for age related allowances			25,400		
Income limit for standard personal allowance			100,000		
Car benefit percentage					
The base level of CO <sub>2</sub> emissions is 100 grams per kilometre.				✓	✓
The percentage rates applying to petrol cars with CO <sub>2</sub> emissions up to this level are:					
			%		
75 grams per kilometre or less			5		
76 grams to 99 grams per kilometre			10		
100 grams per kilometre			11		
Car fuel benefit					
The base figure for calculating the car fuel benefit is £20,200.				✓	✓
Individual savings accounts (ISAs)					
The overall investment limit is £11,280, of which £5,640 can be invested in a cash ISA.				✓	✓
Pension scheme limits					
Annual allowance			£50,000	✓	✓
Lifetime allowance			£1,500,000		✓
The maximum contribution that can qualify for tax relief without evidence of earnings			£3,600	✓	✓
Authorised mileage allowances: cars					
Up to 10,000 miles			45p	✓	✓
Over 10,000 miles			25p		
Capital allowances: rates of allowance					
Plant and machinery			%	✓	✓
Main pool			18		
Special rate pool			8		

<b>Motor cars</b>					
New cars with CO <sub>2</sub> emissions up to 110 grams per kilometre			100		
CO <sub>2</sub> emissions between 111 and 160 grams per kilometre			18		
CO <sub>2</sub> emissions over 160 grams per kilometre			8		
<b>Annual investment allowance</b>					
First £25,000 of expenditure			100		
<b>Corporation tax</b>					
<b>Financial year</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	✓	✓
Small companies rate	21%	20%	20%		
Main rate	28%	26%	24%		
Lower limit	£300,000	£300,000	£300,000		
Upper limit	£1,500,000	£1,500,000	£1,500,000		
Standard fraction	7/400	3/200	1/100		
<b>Marginal relief</b>					
Standard fraction x (U – A) x N/A				✓	✓
<b>Value added tax</b>					
Standard rate			20%	✓	✓
Registration limit			£77,000		
Deregistration limit			£75,000		
<b>Inheritance tax: tax rates</b>					
£1 – £325,000			%	✓	
Excess – Death rate			Nil		
Excess – Lifetime rate			40		
			20		
<b>Inheritance tax: nil rate bands and tax rates</b>					
			£		✓
6 April 2012 to 5 April 2013			325,000		
6 April 2011 to 5 April 2012			325,000		
6 April 2010 to 5 April 2011			325,000		
6 April 2009 to 5 April 2010			325,000		
6 April 2008 to 5 April 2009			312,000		
6 April 2007 to 5 April 2008			300,000		
6 April 2006 to 5 April 2007			285,000		
6 April 2005 to 5 April 2006			275,000		
6 April 2004 to 5 April 2005			263,000		
6 April 2003 to 5 April 2004			255,000		
6 April 2002 to 5 April 2003			250,000		
6 April 2001 to 5 April 2002			242,000		
6 April 2000 to 5 April 2001			234,000		
6 April 1999 to 5 April 2000			231,000		
6 April 1998 to 5 April 1999			223,000		
Rate of tax on excess over nil rate band					
– Lifetime rate			20%		
– Death rate			40%		
<b>Inheritance tax: taper relief</b>					
Years before death:			Percentage reduction	✓	✓
Over 3 but less than 4 years			20		
Over 4 but less than 5 years			40		
Over 5 but less than 6 years			60		
Over 6 but less than 7 years			80		
<b>Capital gains tax</b>					
Rates of tax – Lower rate			18%	✓	✓
– Higher rate			28%		
Annual exempt amount			£10,600		
Entrepreneurs' relief – Lifetime limit			£10,000,000		
– Rate of tax			10%		

National insurance contributions (not contracted out rates)				
Class 1 Employee	£1 – £7,605 per year £7,606 – £42,475 per year £42,476 and above per year	% Nil 12.0 2.0	✓	✓
Class 1 Employer	£1 – £7,488 per year £7,489 and above per year	Nil 13.8		
Class 1A		13.8		
Class 2	£2.65 per week Small earnings exception limit – £5,595			
Class 4	£1 – £7,605 per year £7,606 – £42,475 per year £42,476 and above per year	Nil 9.0 2.0		
Rates of interest (assumed)				
Official rate of interest		4.0%	✓	✓
Rate of late payment interest		3.0%		
Rate of repayment interest		0.5%		
Stamp duty land tax				
£150,000 or less (1)		% Nil		✓
£150,001 – £250,000		1		
£250,001 – £500,000		3		
£500,001 - £1,000,000		4		
£1,000,001 - £2,000,000		5		
£2,000,001 or more (3)		7		
(1) For residential property, the nil rate is restricted to £125,000. (2) The 5% and 7% rates apply to residential properties only. The 4% rate applies to all non-residential properties where the consideration is in excess of £500,000.				
Stamp duty				
Shares		0.5%		✓