

## TAX RATES AND ALLOWANCES

The following 2008/09 tax rates and allowances are to be used in answering the questions.

<b>Profits tax</b>	
Companies	16.5%
Unincorporated business	15%

<b>Salaries tax</b>	
First \$40,000	2%
Next \$40,000	7%
Next \$40,000	12%
On the remainder	17%
Standard rate	15%

\*50% of salaries tax and tax under personal assessment for the year of assessment 2008/09 will be waived subject to a ceiling of \$6,000.

<b>Allowances</b>	
	\$
Basic allowance	108,000
Married person's allowance	216,000
Single parent allowance	108,000
Child allowance – 1 <sup>st</sup> to 9 <sup>th</sup> child (each)	50,000
– additional allowance in the year of birth (each)	50,000
Dependent parent/grandparent allowance – basic	15,000/30,000
– additional	15,000/30,000
Dependent brother/sister allowance	30,000
Disabled dependant allowance	60,000

<b>Depreciation allowance rates</b>	
Initial allowance:	
Plant and machinery	60%
Industrial buildings	20%
Annual allowance:	

Computers	30%
Motor cars	30%
Furniture and fixtures	20%
Industrial buildings	4% or formula
Commercial buildings	4% or formula

**Stamp duty rates**

Share transfers 0.2% + \$5

Conveyances (ignoring marginal reliefs)

Not exceeding \$2,000,000	\$100
Not exceeding \$3,000,000	1.5%
Not exceeding \$4,000,000	2.25%
Not exceeding \$6,000,000	3%
Exceeding \$6,000,000	3.75%

Leases

- (a) Premium only As for conveyances (above)
- (b) Rent only (as a percentage of the average yearly rent)
  - Undefined term 0.25%
  - Not exceeding 1 year 0.25%
  - Not exceeding 3 years 0.5%
  - Exceeding 3 years 1%
- (c) Premium and rent
  - Premium 3.75% of the consideration
  - Rent As for rent-only lease (above)