



CORPORATION TAX RATES

Financial year	2001	2000
Full rate	30%	30%
Small companies' rate	20%	20%
Profit limit for small companies' rate	£300,000	£300,000
Profit limit for small companies' marginal relief	£1,500,000	£1,500,000
Starting rate	10%	10%
Profit limit for starting rate	£10,000	£10,000
Profit limit for starting rate marginal relief	£50,000	£50,000
Marginal relief fraction (<i>for small companies' and starting rates</i>)	1/40	1/40

Notes

1. Financial year 2001 means the year commencing 01/04/2001. If a company's year end is not 31/03 the taxable profits are time apportioned to each financial year and are charged to corporation tax at the relevant rates.
2. The profit limits are reduced if the accounting period of the company is less than 12 months in length, and if there are any non-dormant associated companies.
3. What are termed "close investment holding companies" are taxed at the full rate, and do not have the benefit of being taxed at the small companies' and starting rates of corporation tax.
4. The effective rate of tax on every £ of profit between the small companies rate limit and the small companies' marginal relief limit is 32½%.
5. The effective rate of tax on every £ of profit between the starting rate limit and the starting rate marginal relief limit is 22½%.

Any questions?

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