

Capital Allowances

	2016/2017 %	2015/2016 %
Plant and machinery:		
first year allowance	100	100
writing-down allowance	25	25
Industrial buildings:		
initial allowance	100	100
writing-down allowance	4	4
Tourist premises:		
initial allowance	100	100
writing-down allowance	10	10
Agricultural buildings:		
initial allowance	100	100
writing-down allowance	10	10

Benefits in Kind - Cars and Fuel

For 2016/2017 and 2015/2016

	Car Rate £	Fuel Rate £
Electric cars (regardless of cylinder capacity)	NIL	NIL
Cylinder Capacity (cc)		
1000 or less	800	800
1001 – 1200	1,100	950
1201 – 1800	3,600	1,500
1801 – 2500	5,000	1,750
2501 – 3500	7,000	2,000
3501 – 5000	10,000	2,250
More than 5000	12,000	2,500

Notes:

1. No reduction in the charges for the age of the vehicle.
2. No increase or decrease in the charges based on the annual business mileage.
3. Where a second car is made available concurrently to the same employee or a family member the above charge is applied to that car.



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Isle of Man Tax Guide 2016/2017



This Tax Guide has been prepared from the Isle of Man Governments budget announcements which could be subject to revision. This booklet is a guide only and advice should be taken before acting on its contents.

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Income Tax Rates

Resident Individuals	2016/2017	2015/2016
	%	%
Single person		
Band of taxable income:		
■ £1 - £10,500	–	10
■ £1 - £8,500	10	–
■ Over £10,500	–	20
■ Over £8,500	20	–
Married couples (if jointly assessed)		
Band of taxable income:		
■ £1 - £21,000	–	10
■ £1 - £17,000	10	–
■ Over £21,000	–	20
■ Over £17,000	20	–
Tax Cap (max. tax liability)	£125,000	£120,000
(if jointly assessed)	£250,000	£240,000
(Use of the Tax Cap is subject to a five year election)		
Companies	2016/2017	2015/2016
	%	%
Taxable profits are taxed at the stated rates based on the following income sources:		
■ Banking business	10 *	10 *
■ Manx land & property	20 *	20 *
■ All other income	0 *	0 *

Companies with a retail business and taxable profits of more than £500,000 pay tax at 10%.

Companies may elect to pay Manx tax at 10%. This election is for 5 years.

* Manx resident shareholders are taxed on dividends distributed. Tax credits will be given on dividends paid from profits which have already suffered Manx tax. There is a strict ordering system when distributions are made and matched to profits/reserves.

Personal Allowances & Deductions

Allowances	2016/2017	2015/2016
	£	£
Personal:		
Single person	10,500	9,500
Married couples	21,000	19,000
(fully transferable between spouses if jointly assessed)		
Age allowance	1,000	1,000
Additional allowances	6,400	6,400
(for widows and others in receipt of single parent benefit)		
Blind person	2,900	2,900
Disabled person	2,900	2,900
Deductions	2016/2017	2015/2016
	£	£
Private Medical Insurance	1,800	1,800
Donations to Charities	7,000	7,000
Nursing expenses	9,300	9,300
Interest paid to Manx resident lenders:		
Single person	7,500	7,500
Married couples	15,000	15,000
(fully transferable between spouses if jointly assessed)		

The above amounts are the maximum deduction levels for each type of expenditure eligible for tax relief. Tax relief for these deductions is restricted to 10%, i.e. no tax relief will be given at the higher rate of Manx tax.

Tax relief is restricted to 10% of £5,500 for Educational Deeds of Covenant entered into on or before 5 April 2011 and where the student is in qualifying full time education at that date.

An individual in receipt of Maintenance Payments is not taxed on this income, and an individual making these payments will not get tax relief.

Subject to certain restrictions, a Personal Allowance Credit of £400 is available in full if income is less than £9,500.

National Insurance Contributions

Class 1 Employed – not contracted out – on all earnings per week (see Note 1):

2016/2017	Employees	Employers
■ £0 - £118	NIL / 0%	NIL/0%/12.8%
■ £118 - £784	11%	12.8%
■ Over £784	1%	12.8%

2015/2016	Employees	Employers
■ £0 - £120	NIL / 0%	NIL/0%/12.8%
■ £120 - £784	11%	12.8%
■ Over £784	1%	12.8%

Class 2 Fixed per week – no liability if earnings below £6,136 p.a. (£5,995 p.a. – 2015/2016)

2016/2017	2015/2016
£5.40	£5.40

Class 4 Earnings related on taxable profits:

■ £6,136 - £40,768 p.a.	8%	8%
■ Over £40,768 p.a.	1%	1%

Class 3 Non-employed voluntary rate per week

£14.10	£14.10
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Notes:

1. Reduced rate of Class 1 contributions, for both employers and employees, applicable in respect of contracted out employees on earnings between £118 and £784 per week (£120 to £784 per week – 2015/2016).

VAT Registration Limits

From 1/4/15 – Annual turnover limits:	£
Registration (< 12 months or next 30 days)	£95,000
Deregistration	80,000
Standard rate	20%

The 2016/2017 thresholds will be announced in the UK budget, and will be updated on our website.

There is no Capital Gains Tax or Inheritance Tax in the Isle of Man