

Capital allowances		
	2019/2020	2018/2019
Plant and machinery:		
First year allowance	100%	100%
Writing-down allowance	25%	25%
Industrial buildings:		
First year allowance	100%	100%
Writing-down allowance	4%	4%
Tourist premises:		
First year allowance	100%	100%
Writing-down allowance	10%	10%
Agricultural buildings:		
First year allowance	100%	100%
Writing-down allowance	10%	10%

Benefits in kind - cars and fuel		
For 2019/2020 and 2018/2019		
Cylinder Capacity (cc)	Car rate	Fuel rate
Electric cars regardless of cylinder capacity	NIL	NIL
1,000 or less	£800	£800
1,001 - 1,200	£1,100	£950
1,201 - 1,800	£3,600	£1,500
1,801 - 2,500	£5,000	£1,750
2,501 - 3,000	£7,000	£2,000
3,501 - 5,000	£10,000	£2,250
More than 5,000	£12,000	£2,500

Notes:

1. No deduction 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.

About us

Grant Thornton Isle of Man is a locally owned accountancy firm operating under the same ownership for more than thirty years with the support of the international organisation that we are a member of.

Our services include:

- All aspects of tax affairs
- Audit
- Accountancy
- Bookkeeping
- Payroll services
- Advisory, recovery and reorganisation

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This Tax Guide has been prepared from the Isle of Man Governments budget announcements and 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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Isle of Man Tax Guide 2019/20

A handy guide to personal and business taxes – everything you need in one place.

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Income Tax rates		
Resident individuals	2019/2020	2018/2019
Single person - band of taxable income:		
£1 - £6,500	10%	10%
Over £6,500	20%	20%
Married couples (if jointly assessed) - band of taxable income:		
£1 - £13,000	10%	10%
Over £13,000	20%	20%
Tax Cap		
Max. tax liability	£175,000	£150,000
If jointly assessed	£350,000	£300,000
(Use of the Tax Cap is subject to a five-year election)		

Companies		
Taxable profits are taxed at the stated rates based on the following income sources:		
	2019/2020	2018/2019
Banking business*	10%	10%
Manx land and 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 five 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, but the distribution of Manx company profits which have suffered Manx tax already are outside of this ordering system.

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

Personal allowances and deductions		
Allowances	2019/2020	2018/2019
Single person	£14,000	£13,250
Married couples (fully transferable between spouses if jointly assessed)	£28,000	£26,500
Additional allowances (for widows, co-habiting couples and others in receipt of single parent benefit)	£6,400	£6,400
Blind person	£2,900	£2,900
Disabled person	£2,900	£2,900

Deductions	2019/2020	2018/2019
Private medical insurance	£1,800	£1,800
Donations to charities	£7,000	£7,000
Nursing expenses	£12,500	£12,500
Interest paid to Manx resident lenders:		
Single person	£5,000	£5,000
Married couples (fully transferable between spouses if jointly assessed)	£10,000	£10,000

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.

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

Subject to certain restrictions, a Personal Allowance Credit of £400, £800 for jointly assessed couples, is available in full if income is less than £9,500/£19,000 for jointly assessed couples.

For more information, or for assistance with any tax, audit, accountancy or advisory matters call us on 639494.

National Insurance contributions		
Class 1 Employed on all earnings per week		
2019/2020	Employees	Employers
£0 - £125	0%	0%
£125 - £784	11%	12.8%
Over £784	1%	12.8%
2018/2019	Employees	Employers
£0 - £118	0%	0%
£118 - £784	11%	12.8%
Over £784	1%	12.8%

	2019/2020	2018/2019
Class 2 fixed per week - no liability if earnings below £6,500 p.a. (£6,136 p.a. 2018/2019)	£5.40	£5.40
Class 3 Non-employed voluntary rate per week	£15.00	£14.65
Class 4 earnings related on taxable profits:		
£6,500 - £40,768 p.a. (£6,136 - £40,768 p.a. 2018/2019)	8%	8%
Over £40,768 p.a.	1%	1%

National Insurance Holiday Scheme

From 6 April 2019 a person who meets the requirements of the scheme will be able to apply for a refund of the Class 1 National Insurance contributions they pay as an employee during the first 12 months of their employment in the Isle of Man.

VAT Registration Limits

From 1/4/18 - Annual turnover limits:	
Registration (< 12 months or next 30 days)	£85,000
Deregistration	£83,000
Standard rate	20%