

National Insurance Contributions *

Class 1: Employee **	(%)
2017/18	
Earnings bracket (weekly) up to £118	Nil
£118.01 to £784	11
over £784	1
2016/17	
Earnings bracket (weekly) up to £118	Nil
£118.01 to £784	11
over £784	1

Class 1: Employer **	2017/18 (%)
Earnings bracket (weekly) up to £118	Nil
over £118	12.8

Classes 2 and 3 ***	2017/18 (£)	2016/17 (£)
Class 2 (self employed flat rate)		
Per week	5.40	5.40
Small earnings exception (year)	6,136	6,136
Class 3 (voluntary)		
Per week	14.25	14.10

Class 4 (self employed) ***	(%)
2017/18	
up to £6,136	0
£6,136.01 to £40,768	8
over £40,768	1
2016/17	
up to £6,136	0
£6,136.01 to £40,768	8
over £40,768	1

* Standard rates are shown. These figures may alter if an employee elects to contract out.
 ** Class 1A and 1B contributions are not charged in the IoM.
 *** From April 2018 Class 2 NIC is to be abolished and Class 4 NIC will increase from 8% to 11%

Company fees and duties

	From 7 January 2014 (£)
Incorporation fees	
Standard - within 48 hours	100
2 hour incorporation	250
While you wait incorporation	500
Annual filing fees*	
Standard	380
Excepted companies and LLC's	95

Share capital fees have been abolished with effect from 7 January 2014.

*Increased fees apply where returns are filed late.

Operating from our Douglas office PwC Isle of Man is a locally owned and controlled partnership of more than 100 staff with 13 Partners/Directors. At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 157 countries with more than 223,000 people who are committed to delivering quality in assurance, advisory and tax services.

By combining our local expertise with the power of our global network, we can deliver smart solutions that address our local and international clients business challenges.

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The information contained herein is only a general guideline and should not be used for determining a tax liability or planning a tax investment strategy. Specific advice pertaining to your particular circumstances should be obtained in all cases.

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Money matters

Isle of Man tax guide 2017/2018



Income tax

Allowances	2017/18 (£)	2016/17 (£)
Single person	12,500	10,500
Married couple (combined)	25,000	21,000
Blind person's addition	2,900	2,900
Single parent's addition	6,400	6,400
Disabled person's addition	2,900	2,900
Co-habiting couple's addition	6,400	6,400
Aged addition	Nil	1,000
Non-resident's personal allowance	Nil	Nil

Reliefs	2017/18 (£)	2016/17 (£)
Interest paid to Manx residents lenders (maximum)*	5,000	7,500
Covenanted educational payments*	5,500	5,500
Charitable donations*	7,000	7,000
Charitable donations by a company	15,000	15,000
Nursing expenses*	12,500	9,300

* Tax relief is restricted to 10% of the amount paid and in respect of educational deeds of covenant is restricted to payments made under covenants that have been entered into on or before 5 April 2011 and where the student is in qualifying full time education at that date.

Rates

Individuals	Rate (%)	2017/18 (£)	2016/17 (£)
Single person*	10	Up to 6,500	Up to 8,500
	20	Above 6,500	Above 8,500
Married couple*	10	Up to 13,000	Up to 17,000
	20	Above 13,000	Above 17,000
Non resident	20	All	All

* Subject to an irrevocable election being made no later than 5 April 2017, a Manx resident's tax liability will be fixed at £125,000 (or £250,000 for a married couple) for the five years commencing on 6 April 2017. For elections commencing after 6 April 2018 the liability will be £150,000/£300,000 respectively.

Companies	2017/18 Rate (%)	2016/17 Rate (%)
Banking business	0/10	0/10
Income from IoM land & property	20	20
Retail business*	0/10	0/10
Other	0	0

* Retail businesses with taxable profits of over £500,000 are subject to tax at 10%, those with taxable profits below that level are subject to tax at 0%.

Benefits in Kind

Car benefit - 2017/18	Car Rate (£)	Fuel rate (£)
Cylinder capacity		
Electric cars (regardless of 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 - 3,500	7,000	2,000
3,501 - 5,000	10,000	2,250
More than 5,000	12,000	2,500

Note: These rates are unchanged from 2015/16.

Other Taxable benefits	Taxable amount
Accommodation	Cash equivalent
Use of an asset	20% of market value (or cost to employer if higher)
Other	Cost to employer

Chargeable benefits with an aggregate value of under £400 for the year are exempt from tax

Exempt benefits

- Accommodation used solely for duties of employment.
- Approved Profit Sharing or Savings Related Share Options Schemes.
- Car Parking space at or near place of work.
- Medical/dental insurance.
- Christmas party expenses up to £100 per head.
- Provision of a personal computer for use at home up to benefit value of £1,000.
- Nursery or creche facility expenses necessary for employees to attend work.
- Bicycle and related safety equipment provided under a cycle to work scheme.

Personal Pensions & Retirement Annuities

- Maximum contributions of £300,000 per annum.
- Income tax relief for contributions limited to the lower of £300,000 or 100% of relevant earnings.
- Income and gains accrued in the fund are exempt from tax.
- Lump sum of 30% may be taken tax free on retirement.
- No requirement to purchase an annuity.
- Potential 7.5% charge on amounts remaining in pension fund on death.
- Pension fund trivial commutation conversion of small funds into single lump sum (maximum) £50,000, to be treated as remuneration for tax purposes.

Capital Allowances

Rates 2017/18 and 2016/17	Rate (%)
Plant & Machinery	
first year allowance	100
writing down allowance	25
Industrial Buildings & Structures	
first year allowance	100
writing down allowance	4
Agricultural Buildings	
first year allowance	100
writing down allowance	10
Tourist Premises	
first year allowance	100
writing down allowance	10

For a motor car a first year allowance/writing down allowance of 25% may be claimed each year up to a maximum of £3,000 per annum.

Value Added Tax

- Standard rate 20%.
- Lower rates of 0% or 5% apply in certain circumstances.
- Registration threshold from 1 April 2017 £85,000.

There are no inheritance, wealth, gift, death, capital gains or insurance premium taxes or stamp duties in the Isle of Man.