

F6 考试公式归纳

Corporation Tax

1. Pro forma of corporation tax computation

	£
Tax adjusted trading profits	X
Interest income	X
Property Business profit	X
Chargeable Gains	<u>X</u>
Total profits	X
Less: QCD	<u>(X)</u>
TTP (TTP x tax rate =corporation tax)	X
FII	<u>X</u>
Augmented Profits (determine company size)	<u>X</u>

If straddle financial year and tax rate different:

For small and large companies : CT Liability = TTP x $\frac{1}{12}$ x tax rate

For medium companies: CT Liability = (TTP x tax rate – fraction x (UL-AP) x TTP/AP) x $\frac{1}{12}$

2. Pro forma of tax adjusted trading profits

	£
Profit Before Taxation //(PBT)	X
Add:	
• Non-deductible expenditure (e.g. Depreciation)	X
• Expenditure allowable for taxation purposes	0
Less:	
• Income included in the accounts that is not taxable as trading income (e.g. interest, rent, disposal profit)	(X)
Less: Capital allowance	<u>(X)</u>
Tax adjusted trading profit	<u>X</u>

3. Pro forma of tax adjusted trading profits

	£	GP	SRP	SLA	Allowance
WDV B/F		X	X	X	X

Additions:				
Qualifying for AIA				
Machinery	X			
AIA 100%	<u>(X)</u>	X		X
Qualifying for FYA				
Car	X			
FYA 100%	<u>(X)</u>			X
Qualifying for WDA				
Machinery/car		X	X	
Disposals:	<u>(X)</u>			<u>(X)</u>
	X	X	X	
Balancing allowance/charge				(X) X
WDA 18%	<u>(X)</u>			
WDA 8%			<u>(X)</u>	<u>X</u>
WDV C/F	X	X	X	
Total allowance				<u>X</u>

4. Property business income

Income				X
Less: allowable expense				
Repair and redecoration			X	
Cleaning			X	
Insurance			X	
Council tax paid by Landlord			X	
Advertising			X	
Agent fee			X	
Loan interest			X	
Bad debt			X	
Wear & Tear allowance			X	
				<u>(X)</u>
Property business profit (accrual basis)				<u>X</u>

Income = rent + taxable lease premium (P x (51-D)/50)

Wear & Tear allowance (only for furnished letting) :

W&T = 10% x (gross rent - council tax and water rate paid by land lord - bad debt)

5. Company chargeable gain

Computation Pro-forma:

Disposal proceeds		X
Less: incidental cost of disposal (prof service, advertising, etc.)	<u>(X)</u>	

Net proceeds	X
Less: allowable expenditure	
-original cost	(X)
-incidental cost on acquisition	(X)
-improvement expenditure	<u>(X)</u>
Unindexed gain	X
Less: indexation allowance to disposal date	
-original cost IA	(X)
-incidental cost on acquisition IA	(X)
-improvement expenditure IA	<u>(X)</u>
Indexed gain	X
Less: rollover relief	(X)
Less: capital loss of current period	(X)
Less: capital loss brought forward	<u>(X)</u>
Chargeable gains (taken to TTP as separate source of income)	<u>X</u>

$$\text{indexation factor} = \frac{(\text{RPI in the months of disposal} - \text{RPI in the months of expenditure})}{\text{RPI in the month of expenditure}}$$

Indexation allowance = cost x indexation factor

6. Company loss

Trading profit	X
Less: trading loss brought forward	<u>(X)</u>
	X
Interest income	X
Property business income	X
Chargeable gain	<u>X</u>
Total profits	X
Less: current year loss relief	<u>(X)</u>
Less: carry back relief	<u>(X)</u>
Less: terminal loss relief	<u>(X)</u>
Less: QCD	<u>(X)</u>
TTP	<u>X</u>

Income Tax

1. Pro-forma

	Non-savings Income	Savings Income	Dividend	Total Income
	£	£	£	£
Trading profit	X			X
Employment income	X			X
Property business income	X			X
Savings(x100/80)		X		X
Dividends(x100/90)				
	X	X		
Total income	X	X	X	X
Less: Interest Paid	(X)1st	(X)2nd	(X)3rd	(X)
Net Income	X	X	X	X
Less: personal allowance	<u>(10,000)1st</u>	<u>(10,000)2nd</u>	<u>(10,000)3rd</u>	<u>(10,000)</u>
Taxable income	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>

Both basic and higher rate band are extended by:

- Gross personal pension contribution and
- Gross gift aid donation

Income Tax Liability (total income tax)	X
Less: tax suffered at source	
Dividends	<u>(X)</u>
Sub-total	X
Savings	X
PAYE	<u>X</u>
	<u>(X)</u>
Income Tax Payable/repayment(tax paid via Self-assessment)	X/(X)

2. Tax adjusted trading profit

Profit per accounts		X
Add back:	<ul style="list-style-type: none"> • Non-deductible expenditure (e.g. Depreciation) • Expenditure allowable for taxation purposes • Taxable trading income not credited in the accounts 	X 0 X
Less:	<ul style="list-style-type: none"> • Expenditure not charged in the accounts but allowable for the purposes of taxations 	(X)

	• Income included in the accounts that is not taxable as trading income (e.g. interest, rent, disposal profit)	(X)
Less:	Capital allowance	<u>(X)</u>
	Tax adjusted trading profit	<u><u>X</u></u>

3. Personal Allowances

- PA for those born on 6/4/1948 and after is £10,000.
- PA for those born between 6/4/1938 - 5/4/1948 is £10,500
- PA for those born before 6/4/1938 is £10,660
- If adjusted net income > 27,000

Higher PA		X
Net income	X	
Less: Gross PPC	(X)	
Less: Gross GAD	<u>(X)</u>	
Adjusted net income	X	
Less:	<u>(27,000)</u>	
	X	
@ 50%		<u>(X)</u>
Revised PA (min: £10,000)		<u>X</u>

- If adjusted net income > 100,000

Standard PA		10,000
Net income	X	
Less: Gross PPC	(X)	
Less: Gross GAD	<u>(X)</u>	
Adjusted net income	X	
Less:	<u>(100,000)</u>	
	X	
@ 50%		<u>(X)</u>
Revised PA (min: Nil)		<u>X</u>

4. Child benefit income tax charge

- If adjusted net income is between £50,000 and £60,000
Income tax charge = child benefit received x 1% x (ANI-50,000)/100
- If adjusted net income is more than £60,000
Income tax charge = child benefit received

5. Loss for individuals

Trading profit	X
Less: trading loss b/f	(X)
Less: terminal loss relief	(X)
Employment income	X
Property business income	X
Saving income	X
Dividend income	<u>X</u>
Total income	X
Less: interest paid	<u>(X)</u>
Net income	X
Less: trade loss against total income	(X)
Less: earlier year's loss relief	(X)
Less: PA(may be wasted)	<u>(10,000)</u>
Taxable income	X

Capital Gain Tax

1. Proforma of CGT computations

Disposal proceeds (sale proceeds or MV if deal not at arm's length)	X
Less: incidental cost on disposal (auctioneer's/legal/estate agent fees, etc)	<u>(X)</u>
Net proceeds	X
Less: allowable expenditure (cost, incidental cost on acquisition, improvement expenditure, etc)	<u>(X)</u>
Capital gain	X
Less: CGT relief:	
-Rollover relief	(X)
-Gift relief	
-PPR relief	
-Letting relief	(X)
Less: current year capital loss	(X)
Less: trading loss after set against total income of same period	(X)
Less: capital loss brought forward (restricted to preserve AE)	<u>(X)</u>
Chargeable Gain	X
Less: Annual Exemption	<u>(£11,000)</u>
Taxable gain	X
@Capital Gains Tax Rate 18% or 28%	
Capital Gain Tax (CGT)	<u>X</u>

2. Non-wasting chattel

Cost	£6,000 or less	More than £6,000
Sale		
£6,000 or less	Exempt	Allowable loss but proceeds are deemed to be £6,000
More than £6,000	Capital gain is limited to 5/3 x (gross proceeds - £6,000)	Chargeable in full --normal calculation

Inheritance Tax

1. The procedure to calculate the lifetime IHT on CLT

Step 1 chargeable amount of CLT or PET:

Value of estate before gift	X
Value of estate after gift	<u>(X)</u>
Transfer of value (or diminution in value)	X
Less: exemptions:	
Marriage exemption	(X)
AE – current year	(X)
AE – previous year b/f	<u>(X)</u>
Chargeable amount	X

Step 2 lifetime IHT:

Chargeable amount	X
Nil rate band(NRB) at year of gift	X
Less: Gross CLTs within 7 years of gift	<u>(X)</u>
Nil rate band available	<u>(X)</u>
Taxable amount	X
Lifetime IHT at 20%(if gross gift) 25%(if net gift)	<u><u>X</u></u>

If net gift, gross chargeable transfer = chargeable amount + IHT

2. Pro forma computation for death tax on lifetime gifts

Step1 start with the gross chargeable amount of any CLTs and PETs within 7 years of death per the lifetime tax calculation

Step2 death IHT is calculated for each gift within 7 years of death:

Gross CLT or PET per lifetime calculations	X
Nil rate band at year of death	X
Less: GCT within 7 years of gift	<u>(X)</u>
Nil rate band available	<u>(X)</u>

Taxable amount	X
Death IHT at 40%	X
Less: Taper relief	(X)
Lifetime IHT paid (if any)	<u>(X)</u>
IHT payable on death	X

3. Pro forma death estate computation

Freehold property	X
Less: repayment mortgage	(X)
Business owned by sole trader/partnership	X
Stocks and shares (including ISA)	X
Government securities	X
Insurance policy proceeds	X
Leasehold property	X
Motor cars	X
Personal chattels	X
Debts due to the deceased	X
Interest and rent due to the deceased	X
Cash and bank and on deposit (including ISA)	<u>X</u>
	X
Less: Debt due by the deceased	(X)
Outstanding taxes(e.g. IT, CGT due)	(X)
Funeral expenses	<u>(X)</u>
	X
Less: Spouse exemption	<u>(X)</u>
Gross chargeable estate	X

4. Pro forma computation for death tax on death estate:

Chargeable estate	X
Nil rate band at year of death	X
Less: GCT within 7 years of death	<u>(X)</u>
Nil rate bands available	<u>(X)</u>
Taxable amount	X
IHT on the taxable amount at 40%	X