

## Simple calculation of Tax Liability 2008/2009

Net profit from self-employment	£10,000
Gross income from PAYE employment	NIL
Taxable state benefits (including retirement pension)	£2,000
Any other income I.E. from property, capital gains Etc.	NIL
<b>Total taxable income</b>	<b>£12,000</b>
Less Allowances	£5,435
Total taxable income	£6,565
From £0 to £36,000 @ 20% (£6,565 x 20%)	£1313.00
Over £34,600 @ 40%	NIL
<b>Total Tax due</b>	<b>£1,313.00</b>
<b>Class 4 National Insurance</b>	
£10,000 - £5,435 = £4,565 @ 8%	£365.20
<b>Total amount payable by 31<sup>st</sup> January 2010 is</b>	<b>£1,678.20</b>