

## Simple calculation of Tax Liability 2009/2010

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	£6,475.00
Total taxable income	£5,525.00
From £0 to £37,400 @ 20% (£5,525 x 20%)	£1,105.00
Over £34,600 @ 40%	NIL
<b>Total Tax due</b>	<b>£1,105.00</b>
 <b>Class 4 National Insurance</b>	
£10,000 - £5,715 = £4,285 @ 8%	£342.80
<b>Total amount payable by 31st January 2011 is</b>	<b>£1,447.80</b>