



## Tax rates and allowances 2018-19

### Directors or Shareholder Loans

When a company which is controlled by its directors, or by five or fewer shareholders, makes a loan to a shareholder/director, the company must pay an extra Corporation Tax charge.

#### 2018-19

- In 2018-19 the Corporation Tax charge will be 32.5% of the loan (2017-18 Corporation Tax rate was also 32.5%).
- This continues to align the tax charge with the dividend tax payable by higher rate taxpayers.
- Loans made to a charity will be exempt from this tax charge.

#### 2017-18

- In 2017-18 the Corporation Tax charge will be 32.5% of the loan (2016-17 Corporation Tax rate was also 32.5%).
- This continues to align the tax charge with the dividend tax payable by higher rate taxpayers.
- Loans made to a charity will be exempt from this tax charge.