Bands Worksheet 1

This exercise will cover the following:

- Working with calculations through bands
- Includes Tax calculations (simplified)

Exercise Name: Worksheet

The exercise begins:

Question 1:

Licence Fee Bands

A company pays an annual licence fee based on its sales (in £). The licence fee bands are:

- 0% on sales up to £20,000
- 5% on the portion of sales over £20,000 up to £50,000
- 10% on the portion of sales over £50,000 up to £150,000
- 15% on the portion of sales over £150,000

If a company's sales in a year are £210,000, how much licence fee must it pay?

ANSWER:

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Question 2:

Scottish Income Tax (2025-26 example)

Assume the following simplified Scottish income tax bands:

- 0% personal allowance up to £12,570
- 19% starter rate on taxable income from £12,570 to £15,397
- 20% basic rate on taxable income from £15,397 to £27,491
- 21% intermediate rate on taxable income from £27,491 to £43,662
- 42% higher rate on taxable income from £43,662 to £75,000
- 45% advanced rate on taxable income from £75,000 to £125,140
- 48% top rate on taxable income over £125,140

If Elmer Chan has a taxable income of £92,521, how much income tax will they pay under this system?

ANSWER:

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Question 3:

Electricity Usage Charge Bands

An electricity provider charges customers as follows per year:

- First 2,000 kWh at £0.10 per kWh
- Next 3,000 kWh (i.e. from 2,001 to 5,000) at £0.15 per kWh
- Next 5,000 kWh (i.e. from 5,001 to 10,000) at £0.20 per kWh
- Any usage above 10,000 kWh at £0.25 per kWh

If a household uses 12,350 kWh in a year, what is their total charge?

ANSWER:

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Question 4:

Customs Duty Bands for Import Tariffs

A customs authority imposes duties on imported goods based on their declared value (in £) as follows:

- 0% duty up to £1,000
- 2% duty over £1,000 up to £5,000
- 5% duty over £5,000 up to £20,000
- 10% duty over £20,000

If goods are imported with a declared value of £28,750, what is the total duty payable?

ANSWER:

The exercise ends. Check your work.