Table 2 – 2010/11	**Sole Trader**		**Company**	**Company**	**Company**
	£		Small	Marginal	Large
Profits	300,000		£	£	£
			300,000	300,000	300,000
Income Tax	150,000	Salary	(20,000)	(20,000)	(20,000)
		E'ers NIC	(2,560)	(2,560)	(2,560)
NIC Class 4	3,000		277,440	277,440	277,440
		Corporation tax	(58,262)	(82,538)	(77,683)
		Dividend	(80,000)	(80,000)	(80,000)
			139,178	114,902	119,757
		Income tax and NIC			
		On salary	10,200	10,200	10,200
		On dividend	28,880	28,880	28,880
			39,080	39,080	39,080
Total tax liability	**153,000**	**Total tax liability**	**99,902**	**124,178**	**119,323**
		Difference	53,098	28,822	33,677

Assumptions:-

- Tax year 2010/11
- Profits £300,000
- Drawings required £100,000 – in company there is a salary £20,000, dividend £80,000
- Individual has income in excess of £150,000
- The individual has used their personal allowance and nil rate band
- The individual pays maximum National Insurance contributions