

Income tax allowances

	2023/24	2022/23
Personal allowance	£12,570	£12,570
Income limit	£100,000	£100,000
Transferable marriage allowance¹	£1,260	£1,260
Married couple's allowance¹ (relief at 10%)		
Either partner born before 6.4.1935	£10,375	£9,415
Income limit	£34,600	£31,400
Minimum where income exceeds limit	£4,010	£3,640
Blind person's allowance	£2,870	£2,600
Dividend allowance	£1,000	£2,000
Personal savings allowance		
Basic rate taxpayers	£1,000	£1,000
Higher rate taxpayers	£500	£500

Income tax rates

Taxable income		
Tax rate band	2023/24	Rate
Basic rate band	£0–£37,700	20%
Higher rate band	£37,701–£125,140	40%
Additional rate band	Over £125,140	45%

Dividend Income		
Tax rate band	2023/24 Rate	2022/23 Rate
Basic rate band	8.75%	8.75%
Higher rate band	33.75%	33.75%
Additional rate band	39.35%	39.35%

Scottish rates and bands were announced in the Scottish budget on 15 December 2022. Welsh rates were published in the Draft Welsh Budget on 13 December 2022.

A 0% starting rate for savings income only applies to the extent that such income falls within the first £5,000 of taxable income. If taxable non-savings income exceeds the limit, the starting rate does not apply.

A 0% rate applies to savings income falling within the personal savings allowance. Income taxable at the starting rate for savings does not fall within the personal savings allowance. A 0% rate applies to dividend income within the dividend allowance.

A 0% rate applies to dividend income within the dividend allowance.

The trust rate of income tax is 45%. The dividend trust rate is 39.35%.

¹ Available for civil partners.

Capital gains tax

Annual exempt amounts 2023/24	
Individuals, disabled trusts, personal representatives for year of death and two years thereafter, personal representatives	£6,000
Trusts generally	£3,000
Rates 2023/24	
Individuals: Standard rate	10%
Higher rate	20%
Trustees and personal representatives	20%
Gains on residential property and carried interest	18/28%
Gains to which business asset disposal relief applies ¹	10%
Gains to which investors' relief applies ²	10%

National insurance contributions

2023/24

Class 1 (Earnings related)

Employees

Weekly earnings	
First £242	Nil
£242.01 - £967	12%
Over £967	2%

Employers

Weekly earnings	
First £175	Nil
Over £175	13.8%

Employees' rates are reduced to 5.85% for married women with valid certificates of election but the 2% rate above £967 still applies. Rates are nil for employees over state pensionable age. Normal employers' contributions are still payable. Employers' rates for employees under 21 and apprentices under 25 are nil on earnings up to £967 per week, and for eligible employees in freeport and investment zone tax sites on earnings up to £481 per week.

Employment allowance

(per employer) – £5,000 a year. Available only where the employer's NIC liability for the previous tax year was less than £100,000.

Class 1A and Class 1B – 13.8%

Class 2 (Self-employed) – Flat rate £3.45 a week. Small

profits threshold: £6,725 a year. Lower profits threshold: £12,570. No contributions due where profits fall between SPT and LPT.

Class 3 (Voluntary contributions) – £17.45 a week.

Class 4 (Self-employed) – 9% of profits between £12,570 and £50,270 a year. 2% of profits above £50,270 a year.

Inheritance tax

	2023/24	2022/23
Nil-rate band ¹	£325,000	£325,000
Residence nil-rate band ¹	£175,000	£175,000
Rate of tax on excess	40% ²	40% ²
Chargeable lifetime transfers	20%	20%

Annual gifts of up to £3,000 per donor are exempt.

¹ Unused nil-rate band is transferable to spouse or civil partner. ² 36% where 10% or more of the net estate is left to charity.

Corporation tax

F.Y.	31/3/2024	31/3/2023
Main rate	25%	19%
Small profits rate	19%	-
19% rate limit	£50,000	-
Marginal relief limit	£250,000	-
Marginal relief fraction	3/200	-
Effective marginal rate	26.5%	-

Stamp taxes

Shares and marketable securities	0.5% ³
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Transfers of land and buildings⁴

Residential (on band of consideration)^{5,6,7}

£0–£250,000	0%
£250,001–£925,000	5%
£925,001–£1,500,000	10%
Over £1,500,000	12%

Non-residential (on band of consideration)

£0–£150,000	0%
£150,001–£250,000	2%
Over £250,000	5%

Leases (Rent – on band of net present value)⁴

Residential	Non-residential	
£0–£250,000	£0–£150,000	0%
Over £250,000	£150,001–£5,000,000	1%
N/A	Over £5,000,000	2%

Freeport and investment zone tax sites

Qualifying purchases receive full SDLT relief.

¹ Subject to lifetime limit on gains of £1 million.

² Subject to lifetime limit on gains of £10 million.

³ Rounded up to the nearest multiple of £5. Transactions of £1,000 or less exempt.

⁴ In Scotland land and buildings transaction tax. In Wales land and transaction tax.

⁵ Where the consideration exceeds £500,000 and the purchase is by – or by a partnership including – a company or collective investment scheme enveloping the property, the rate is 15% of the total consideration.

⁶ Where the consideration is no more than £625,000 and the purchaser is a first-time buyer, the 0% band is increased to £425,000 (and the 5% rate applies to any consideration above £425,000 up to £625,000).

⁷ Rates are increased by 3 percentage points for certain purchases, including purchases of additional residential properties by individuals. Transactions under £40,000 are excluded. Rates are increased by 2 percentage points for purchases by non-UK residents.

Car benefit

2023/24

CO ₂ emissions g/km	Electric range (miles)	% of list price
0	N/A	2%
1-50	>130	2%
1-50	70-129	5%
1-50	40-69	8%
1-50	30-39	12%
1-50	<30	14%
51-54		15%
55-59		16%
60-64		17%
65-69		18%
70-74		19%
75-79		20%
80-84		21%
85-89		22%
90-94		23%
95-99		24%
100-104		25%
105-109		26%
110-114		27%

Going forward, for every 5 units of g/km, the charge increases by 1% up to 160g/km which is at 37%.

4% supplement (up to max 37%) applies to diesel cars which do not meet the RDE2 standard.

Car fuel benefit

For 2022/23, car fuel benefit is calculated by applying the above car benefit percentage to a figure of £27,800.

Tax-free mileage allowances

Employee's own vehicle & unincorporated businesses

Motorcars and vans	2023/24
Up to 10,000 business miles	45p
Over 10,000 business miles	25p
Each passenger making same trip	5p
Motorcycles	24p
Cycles	20p

Advisory fuel rates for company car from 1 March 2023

Cylinder capacity	Petrol	Diesel	LPG
0-1,400 cc	13p	-	10p
0-1,600 cc	-	13p	-
1,401 cc-2,000 cc	15p	-	11p
1,601 cc-2,000 cc	-	15p	-
Over 2,000 cc	23p	20p	17p

Advisory Electricity Rate for fully electric cars is 9p per mile.

Fixed rate deductions: unincorporated businesses

Business use of home

Hours worked per month	Amount per month
25 or more	£10
51 or more	£18
101 or more	£26

Private use of business premises Disallowable

Number of occupants	Amount per month
1	£350
2	£500
3 or more	£650

Individual savings accounts

Limits	2023/24	2022/23
Annual limit	£20,000	£20,000
Junior ISA annual limit	£9,000	£9,000
Lifetime ISA annual limit	£4,000	£4,000
Help to Buy ISA monthly limit	£200	£200

Investment reliefs

	Investment limit	Income tax relief rate
Enterprise investment scheme ¹	£1,000,000	30%
Venture capital trusts	£200,000	30%
Seed enterprise investment scheme	£200,000	50%

VAT

Standard rate	20%
Reduced rate ²	5%

Registration threshold	£85,000 pa
Deregistration limit	£83,000 pa
Annual accounting scheme turnover limit	
Cash accounting scheme turnover limit	£1,350,000 pa
Flat rate scheme turnover limit	£150,000 pa

¹ Investment limit is £2,000,000 if any amount over £1,000,000 is invested in knowledge-intensive companies.

Capital allowances

Allowance type	Rate
Dredging (straight-line basis)	
Writing-down allowance	4%
Know-how (reducing balance basis)	
Writing-down allowance	25%
Mineral extraction (reducing balance basis)	
Writing-down allowances	
General	25%
Acquisition of mineral asset	10%
Patent rights (reducing balance basis)	
Writing-down allowance	25%
Plant and machinery (reducing balance basis)	
Annual investment allowance—max £1,000,000 pa	100%
First-year allowances	
New cars with CO ₂ emissions 0 g/km	100%
New gas refuelling stations	100%
New zero-emission goods vehicles	100%
New assets for use in designated areas of enterprise zones (companies only)	100%
New electric charge-point equipment	100%
Full expensing (companies only)	100%
Main rate expenditure	100%
Special rate expenditure	50%
New assets for use in freeport or investment zone	100%
Tax sites (companies only)	
Writing-down allowances	
Main rate expenditure	18%
Cars (other than low-emission cars)	6%
Special rate expenditure (including integral features and thermal insulation) and long life assets	6%
Research and development	
Allowance	100%
Structures and buildings (straight-line basis)	
Writing-down allowance	
General	3%
Freeport tax sites	10%

Registered pension schemes

Individual contributions

Maximum tax-relievable contributions are the higher of:

- 100% of taxable UK earnings; or
- £3,600 (where the scheme applies tax relief at source).

2023/24	
Annual allowance	£60,000
Threshold income limit	£200,000
Adjusted income limit	£260,000
Minimum where income exceeds limit	£10,000
Lifetime allowance	N/A

2022/23	
Annual allowance	£40,000
Threshold income limit	£200,000
Adjusted income limit	£240,000
Minimum where income exceeds limit	£4,000
Lifetime allowance	£1,073,100

Any unused annual allowance can be carried forward for up to three years.



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