

Tax rates and related information

2023/24

Income tax rates

Different rates and bands apply to non-savings and non-dividend income of 'Scottish taxpayers'.

The 2022/23 and 2023/24 Welsh rates of income tax for 'Welsh taxpayers' are such that the overall rates are as below.

Rate %	Taxable income 2022/23 £	Taxable income 2023/24 £
0 (1)	Up to 5,000	Up to 5,000
20 (2)	Up to 37,700	Up to 37,700
40 (3)	37,701 - 150,000	37,701 - 125,140
45 (4)	Over 150,000	Over 125,140

(1) Starting rate applies to savings income only.

(2) 8.75% for dividend income

(3) 33.75% for dividend income

(4) 39.35% for dividend income

Rate of income tax for discretionary trusts: 39.35% for dividend income
45% for non-dividend income

Capital gains tax

Tax rates	2022/23	2023/24
Individuals – basic rate (1)	10%	10%
Individuals – higher/additional rate (1)	20%	20%
Trusts and personal representatives (1)	20%	20%
Companies	see CT rates	see CT rates
Annual exempt amounts		
Individuals and personal representatives	£12,300	£6,000
Trusts (maximum)	£6,150	£3,000
Chattels proceeds exemption	£6,000	£6,000
Capital gains tax business asset disposal relief		
Lifetime limit (entrepreneurs)	£1,000,000	£1,000,000
Lifetime limit (external investors)	£10,000,000	£10,000,000
Rate	10%	10%

(1) An 18%/28% rate applies to disposals of residential property and carried interest.

Important information

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Income tax allowances

Allowance	2022/23 £	2023/24 £
Personal allowance (1)	12,570	12,570
Transferable tax allowance (2)	1,260	1,260
Personal savings allowance		
Basic-rate tax payers	1,000	1,000
Higher-rate tax payers	500	500
Additional-rate tax payers	0	0
Dividend allowance	2,000	1,000
Married couple's allowance (MCA) (3)		
Allowance	9,415	10,375
Minimum amount	3,640	4,010
Income limit for MCA (4)	31,400	34,600
Blind person's allowance	2,600	2,870
'Rent-a-room'	7,500	7,500

(1) Personal allowance is reduced by £1 for every £2 exceeding £100,000 of 'adjusted net income'. This is irrespective of age.

(2) Neither spouse or civil partner liable at higher or additional rates, and not in receipt of MCA.

(3) If one spouse/civil partner born before 6 April 1935. Relief is restricted to a 10% tax credit.

(4) MCA is reduced by £1 for every £2 of 'adjusted net income' over this limit, until reduced to the minimum amount (but also see note (1)).

Scottish rates and bands for 2023 to 2024

Bands	Band name	Rate
£12,571* - £14,732	Starter Rate	19%
£14,733 - £25,688	Scottish Basic Rate	20%
£25,689 - £43,662	Intermediate Rate	21%
£43,663 - £125,140**	Higher Rate	42%
Above £125,140**	Top Rate	47%

(*) Assumes individuals are in receipt of the Standard UK Personal Allowance

(**) Those earning more than £100,000 will see their Personal Allowance reduced by £1 for every £2 earned over £100,000.

Remittance basis charge

Remittance basis charge	2023/24 £
UK resident for fewer than 7 of the past 9 tax years	NIL
UK resident for at least 7 of the past 9 tax years	30,000
UK resident for at least 12 of the past 14 tax years	60,000
UK resident for at least 15 of the past 20 tax years (1)	NIL

(1) Taxpayers resident for at least 15 of the past 20 tax years will be deemed domiciled for income tax, capital gains tax and inheritance tax.

Inheritance tax

Inheritance tax	2023/24
Tax rates	
Estate	40%
Reduced rate (leaving 10% or more to charity)	36%
Lifetime transfer	20%
Nil rate bands	
Nil rate band limit (1)	325,000
Residential nil rate band (RNRB) limit (1)	175,000
Taper threshold for RNRB (2)	2,000,000
Exempt amounts	
Annual exemption	3,000
Small gifts exemption	250
Wedding gifts exemption (Gifts made by)	
- parent	5,000
- more remote ancestor	2,500
- party to marriage	2,500
- other person	1,000

(1) Unused proportion can be transferred to surviving spouse or civil partner

(2) RNRB is reduced by £1 for every £2 that the estate is over the taper threshold.

Inheritance tax tapering relief

Rates for transfers on death also apply to gifts within seven years of death subject to tapering relief.

Years between gift and death	Reduction in charge
0 - 3	NIL
3 - 4	20%
4 - 5	40%
5 - 6	60%
6 - 7	80%

Tax-privileged pension savings

Tax-privileged pension savings	2023/24
Money purchase annual allowance	10,000
Contributions: tax relief given up to higher of	- £3,600; or - 100% of relevant earning (capped at £60,000) (1)
Maximum tax-free lump sum	25% of the fund (up to a maximum of 25% of the lifetime allowance)

(1) The allowance is reduced by £1 for every £2 of income above £260,000 subject to a minimum allowance of £10,000.

ISA limits

ISA limits	2022/23 £	2023/24 £
ISA subscription limit	20,000	20,000
Junior ISA limit	9,000	9,000
Child trust fund subscription limit	9,000	9,000

High income child benefit charge

2022/23	Weekly £	Annual £
Eldest/Only child	21.80	1,133.60
Other children	14.45	751.40
2023/24	£	£
Eldest/Only child	24.00	1,248.00
Other children	15.90	826.80

For taxpayers with annual income between £50,000 and £60,000, a charge of 1% of the benefit applies for every £100 of income over £50,000 per year (100% if over £60,000) for each week they, or their partner, are in receipt of child benefit.

Corporation tax

Financial year from	1 April 2022	1 April 2023
Tax rate	19%	25% (1)

(1) A 25% rate will only apply to companies with profits above £250,000. A 19% rate will continue to apply to companies with profits below £50,000. For companies with profits between £50,000 and £250,000, a hybrid rate will apply.

Capital allowances

Capital allowances	2022/23	2023/24
Plant and machinery		
- annual investment allowance (1)	£1m	£1m
- main rate pool (2)	18%	18%
- long life assets (2)	6%	6%
- integral features (2)	6%	6%
- structures and buildings (2)	3%	3%
Cars		
- CO2 emissions up to 50g/km (3)	18%	18%
- CO2 emissions over 50g/km	6%	6%

- (1) 100% annual investment allowance (AIA) up to stated limit for qualifying expenditure incurred on certain plant and machinery for each unlinked unincorporated business or corporate group.
- (2) Reducing balance
- (3) From 1 April 2021, only electric cars, or cars with zero emissions, will qualify for 100% relief.
- (4) From 1 April 2023 until 31 March 2026, companies can claim 100% and 50% first year allowances for qualifying plant and machinery.

Value added tax

Value added tax	2022/23 and 2023/24
Standard rate	20%
Reduced rate	5%
VAT fraction (where included in cost)	1/6
Registration threshold	£85,000
De-regulation threshold	£83,000

Optional flat-rate scheme for small businesses is available.

Research and development tax relief

Rates for deduction from	1 Apr 2022	1 Apr 2023
SME rate	230%	186%
Tax credit rates	1 Apr 2022	1 Apr 2023
SME rate (surrender of losses)	14.5%	10%
Large company (taxable RDEC)	13%	20%

Patent box

Patent box	1 Apr 2022	1 Apr 2023
Effective rate on qualifying IP rights	10%	10%

Annual tax on enveloped dwellings

The normal return and payment dates are 30 April in the year of assessment or 30 days from in year acquisition.

Property value	2022/23 (1)	2023/24 (2)
£500,000 - £1 million	£3,800	£4,150
£1 million - £2 million	£7,700	£8,450
£2 million - £5 million	£26,050	£28,650
£5 million - £10 million	£60,900	£67,050
£10 million - £20 million	£122,250	£134,550
More than £20 million	£244,750	£269,450

- (1) At 1 April 2017 or date of purchase if later.
- (2) At 1 April 2022 or date of purchase if later.

Stamp duty land tax

Land and Buildings Transaction Tax replaced SDLT in Scotland from 1 April 2015.

Land Transaction Tax replaced SDLT in Wales from 1 April 2018.

Percentages applying on the acquisition of property in the UK

Residential consideration £	Band at %	Non-residential consideration £	Band at %
0 - 250,000 (2)	NIL	0 - 150,000	NIL
250,001 - 925,000 (1)	5*	150,001 - 250,000	2
925,001 - 1,500,000 (1)	10*	Over 250,000	5
Over 1,500,000 (1)	12*		

- (1) A 15% rate will apply where residential property is purchased through a company or certain other structures where value exceeds £500,000.
- * An additional SDLT surcharge of 3% will apply on the purchase of a second, or subsequent residential property.
- * An additional SDLT surcharge of 2% will apply for non-UK residents purchasing residential property in England and Northern Ireland.
- (2) For first time buyers, a 0% rate will apply to the first £425,000, where the property value is less than or equal to £625,000.

Percentages applying on the rental stream arising from the grant of a new lease in the UK

Residential relevant rental value £	Band at %	Non-residential relevant rental value £	Band at %
0 - 250,000	NIL	0 - 150,000	NIL
Over 250,000	1*	150,001 - 5,000,000	1*
		Over 5,000,000	2*

- * The tax rate only applies to the relevant rental value which exceeds the nil rate band.

Stamp duty

Stamp duty was abolished from 1 December 2003 on all transactions except for the following.

- Transfer of shares and securities* (rate unchanged at 0.5%).
- Certain transactions involving partnership land.

*From 28 April 2014 shares quoted on 'growth markets' such as AIM are not subject to stamp duty.

Car and fuel benefits 2023/24

Cars	
Minimum	14% of list price (emissions level 51g/km CO2) (lower rates where emissions between 1g/km and 50g/km depending on electric range)
Increments	1% for each additional 5g/km CO2 emissions over 51g/km CO2
Diesel cars	4% surcharge
Electric cars	2% of list price
Maximum	37% of list price

Emissions levels for most cars can be found on www.vehicle-certification-agency.gov.uk CO2 level rounded down to nearest 5g.

If no emissions rating	Registered before 1 Jan 98	Registered after 1 Jan 98
1400cc or less	24%	24%
1401 - 2000cc	35%	35%
2001cc or more	37%	37%

Fuel

Private fuel provided with company car - percentages as above for cars x £27,855.

Approved mileage rates for business mileage in own car

Cars and vans	Per mile
0 - 10,000 miles	45p
Over 10,000 miles	25p

Advisory mileage rates for business mileage in company car From 1 September 2022

Petrol/LPG	Diesel	
	Petrol	LPG
1400cc or less	15p	9p
1401 - 2000cc	18p	11p
2001cc or more	27p	17p

Hybrid cars are treated as either petrol or diesel cars for this purpose.

National insurance contributions

Employees' class 1 contributions 2023/24

Total weekly earnings	Over 21s	Under 21s/ Apprentice under 25
Below £242 (1)	NIL	NIL
£242 - £967	12%	12%
Over £967	2%	2%
Married women's reduced rate	5.85% on earnings between £242 and £967 per week plus 2% on earnings above £967 per week	

- (1) Between £123 per week and £242 per week a zero rate applies to protect employees' contributory benefit entitlement.

Employers' class 1 contributions 2023/24

Total weekly earnings	Over 21s	Under 21s/ Apprentice under 25
Below £175	NIL	NIL
£175 - £967	13.8%	NIL
Over £967	13.8%	13.8%

Annual employment allowance (per employer) £5,000

Class 2 - self employed

Flat rate £3.45 per week if earnings exceed £12,570 per annum

Class 3 - voluntary

Flat rate £17.45 per week

Class 4 - self employed

9% of profits between £12,570 and £50,270 per annum plus 2% on the excess

Apprenticeship Levy 2023/24

Allowance (per employer)	£15,000
Rate	0.5%

Environmental taxes

Plastic packaging tax	Year beginning 1 Apr 2023
Rate (£ per tonne)	£210.82 (1)
Allowance	-

- (1) If packaging contains less than 30% recycled plastic.

Electricity generator levy (1)	Year beginning 1 Jan 2023
Rate	45%
Allowance	£10m for a group

- (1) Only charged on exceptional generation receipts.

Climate change levy (1)	Year beginning 1 Apr 2023	Year beginning 1 Apr 2024
Electricity (£ per kWh)	0.00775	0.00775
Gas (£ per kWh)	0.00672	0.00775
LPG (£ per kg)	0.02175	0.02175
Any other taxable commodity (£ per kg)	0.05258	0.06064

- (1) Discounts apply where the taxpayer holds a climate change agreement. There are also carbon price support rates for electricity generation.

Landfill tax/Landfill disposals tax/Scottish landfill tax (1)	Year beginning 1 Apr 2023	Year beginning 1 Apr 2024
Standard rate (£ per tonne)	£102.10	£103.70
Lower rate (£ per tonne)	£3.25	£3.30

- (1) There are three separate landfill taxes, for England & NI, Scotland, and Wales, but the rates have remained the same so far.

Aggregates levy	Year beginning 1 Apr 2023
Rate (£ per tonne)	£2.03
Allowance	-

Energy (oil and gas) profits levy	Year beginning 1 Jan 2023
Rate	35%
Investment allowance	29% (1)

- (1) 80% for expenditure on upstream decarbonisation.

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By necessity, this briefing can only provide a short overview and it is essential to seek professional advice before applying the contents.

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