

## TAX RATES AND ALLOWANCES 2022/23

Income Tax Bands		
<b>England &amp; Northern Ireland</b>	<b>2022-23</b>	<b>2021-22</b>
Savings starting rate - 0%*	£1 - £5,000	£1 - £5,000
Basic rate 20%	£1 - £37,700	£1 - £37,700
Higher rate 40%	£37,701 - £150,000	£37,701 - £150,000
Additional rate 45%	over £150,000	over £150,000
<b>Scotland</b>	<b>2022-23</b>	<b>2021-22</b>
Starter rate – 19%	£1 - £2,162	£1 - £2,097
Basic rate – 20%	£2,163 - £13,118	£2,098 - £12,726
Intermediate rate – 21%	£13,119 - £31,092	£12,727 - £31,092
Higher rate – 41%	£31,093- £150,000	£31,093- £150,000
Additional rate – 46%	Over £150,000	Over £150,000
<b>Wales</b>	<b>2022-23</b>	<b>2021-22</b>
Savings starting rate - 0%*	£1 - £5,000	£1 - £5,000
Basic rate 20%	£1 - £37,700	£1 - £37,700
Higher rate 40%	£37,701 - £150,000	£37,701 - £150,000
Additional rate 45%	over £150,000	over £150,000

\* The savings starting rate does not apply if non-savings income exceeds £5,000. Income tax in Scotland and Wales is payable on non-savings and non-dividend income.

Dividend rates	2022-23	2021-22
Dividend allowance	£2,000	£2,000
Dividend ordinary rate	8.75%	7.5%
Dividend upper rate	33.75%	32.5%
Dividend additional rate	39.35%	38.1%
<b>Personal savings allowance</b>		
– basic rate taxpayers	£1,000	£1,000
– higher rate taxpayers	£500	£500
<b>Personal allowance and reliefs</b>	<b>2022-23</b>	<b>2021-22</b>
Personal allowance The personal allowance is gradually withdrawn by £1 for every £2 of income over £100,000.	£12,570	£12,570
Marriage allowance A taxpayer can transfer up to £1,260 of their unused personal allowance to a spouse or civil partner who is not a higher rate taxpayer.	£1,260	£1,260
Registered blind person's allowance	£2,600	£2,520
Income limit for personal allowance	£100,000	£100,000

\* There is a cap on certain Income Tax reliefs of the greater of £50,000 or 25% of income.

National Insurance	2022-23	2021-22
Lower weekly earnings limit, primary Class 1	£123	£120
Upper weekly earnings limit, primary Class 1	£967	£967
Primary weekly earnings threshold From 6 April 2022 - 5 July 2022	£190	£184
Primary weekly earnings threshold From 6 July 2022 - 5 April 2023	£242	£184
Secondary weekly earnings threshold	£175	£170
Employees' primary Class 1 rate between primary earnings threshold and upper earnings limit	13.25%	12%
Employees' primary Class 1 rate above upper earnings limit	3.25%	2%
Married women's reduced rate between primary earnings threshold and upper earnings limit	7.10%	5.85%
Married women's rate above upper earnings limit	3.25%	2%
Employers' secondary Class 1 rate above secondary earnings threshold	15.05%	13.80%
Class 2 weekly rate	£3.15	£3.05
Class 2 small profits threshold (SPT)	£6,725 per year	£6,515 per year
Class 2 NICs liabilities are reduced to nil on profits between the SPT and lower profits limit from April 22.		
Special Class 2 weekly rate for share fishermen	£3.80	£3.70
Special Class 2 weekly rate for volunteer development workers	£6.15	£6.00
Class 3 voluntary weekly rate	£15.85	£15.40
Class 4 lower profits limit	£11,908 per year	£9,568 per year
The lower profits limit is set at £11,908 in 2022-23. This is equivalent to 13 weeks of the threshold at £9,880 and 39 weeks at £12,570.		
Class 4 upper profits limit	£50,270 per year	£50,270 per year
Class 4 rate between lower profits limit and upper profits limit	10.25%	9%
Class 4 rate above upper profits limit	3.25%	2%

\* A National Insurance tax free allowance of £5,000 (2021-22: £4,000) is available to offset against employers' Class 1 secondary NICs subject to certain restrictions. The allowance is restricted to employers with employer NIC liabilities of under £100,000.

Capital Gains Tax	2022-23	2021-22
<b>Annual exempt amount</b>		
Individuals	£12,300	£12,300
Trusts	£6,150	£6,150
<b>Rates</b>		
Standard rate taxpayers*	10%	10%
Higher rate taxpayers / Trustees*	20%	20%
Business Asset Disposal Relief lifetime limit	£1,000,000	£1,000,000
Business Asset Disposal Relief rate	10%	10%
Investors' relief lifetime limit	£10,000,000	£10,000,000
Investors' relief rate	10%	10%

\* There is an 8% surcharge on the sale of chargeable residential property and carried interest (the share of profits or gains that is paid to asset managers).

National Living Wage – hourly rate	2022-23	2021-22
Aged 23 & over	£9.50	£8.91

National Minimum Wage – hourly rate	2022-23	2020-21
Aged 21 to 22	£9.18	£8.36
Aged 18 to 20	£6.83	£6.56
Aged 16 and 17	£4.81	£4.62
Apprentice rate	£4.81	£4.30

Capital Allowances	2022-23	2021-22
<b>Plant and machinery</b>		
- Main writing down allowance	18%	18%
- Long life assets, integral fixtures	6%	6%
- First year allowances – super-deduction	130%	130%
- First year allowances – special rate	50%	50%
- First year allowances - other	100%	100%
- R&D tax credits SME scheme	230%	230%
- R&D expenditure credit	13%	13%
- Structures and buildings allowance	3%	3%
- Annual Investment Allowance (AIA)	£1,000,000	£1,000,000

Corporation Tax	FY 2022	FY 2021
Main rate	19%	19%

From 1 April 2023, there will be two rates of Corporation Tax. Taxable profits up to £50,000 will continue to be taxed at 19% under the new Small Business Profits Rate. Taxable profits in excess of £250,000 will be taxed at 25%. Profits between £50,000 and £250,000 will be subject to a marginal tapering relief. This would be reduced for the number of associated companies and for short accounting periods. There is an 8% supplementary tax on banking profits.

VAT	
Standard rate	20%
Reduced rate	5%
Zero rate	0%
Annual registration limit (from 1 April 2022)	£85,000
Annual deregistration limit (from 1 April 2022)	£83,000
VAT Cash accounting scheme threshold	£1,350,000
VAT Annual accounting scheme threshold	£1,350,000

Pension contributions	2022-23	2021-22
Lifetime allowance	£1,073,100	£1,073,100
Maximum annual allowance*	£40,000	£40,000
Tax on excess	Marginal rate	Marginal rate
Normal minimum pension age for private pensions	55	55
<b>Old state pension – per week (pre 6 April 2016)</b>	<b>2022-23</b>	<b>2021-22</b>
Single person	£141.85	£137.60
Addition for wife if non-contributor	£85.00	£82.45
<b>New state pension – per week</b>	<b>2022-23</b>	<b>2021-22</b>
Single person	£185.15	£179.60

\*The annual allowance is tapered for taxpayers whose income exceeds £240,000. The allowance is reduced by £1 for every £2 that an individual's income exceeds £240,000, down to a minimum of £4,000.

Pension contributions	2022-23	2021-22
ISA limit	£20,000	£20,000
Lifetime ISA	£4,000	£4,000
Junior ISA	£9,000	£9,000
<b>Venture Capital Trusts</b>		
Income Tax relief of up to 30% on investments up to £200,000.		
<b>Enterprise Investment Scheme</b>		
Income Tax relief of up to 30% on qualifying share subscriptions up to £1,000,000. (Up to £2,000,000 for qualifying investments in knowledge-intensive industries).		
<b>Seed Enterprise Investment Scheme</b>		
Income Tax relief of 50% on maximum investment of £100,000 with rollover of chargeable gains.		
<b>Social Investment Tax Relief</b>		
Income Tax relief at 30% of the amount invested plus Capital Gains Tax relief. The scheme has been extended until 5 April 2023.		



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