

## TAX RATES AND ALLOWANCES 2023/24

Income Tax Bands		
<b>England &amp; Northern Ireland</b>	<b>2023-24</b>	<b>2022-23</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 - £125,140	£37,701 - £150,000
Additional rate 45%	over £125,140	over £150,000
<b>Scotland</b>	<b>2023-24</b>	<b>2022-23</b>
Starter rate – 19%	£1 - £2,162	£1 - £2,162
Basic rate – 20%	£2,163 - £13,118	£2,163 - £13,118
Intermediate rate – 21%	£13,119 - £31,092	£13,119 - £31,092
Higher rate – 41%	£31,093 - £125,140	£31,093- £150,000
Additional rate – 46%	over £125,140	Over £150,000
<b>Wales</b>	<b>2023-24</b>	<b>2022-23</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 - £125,140	£37,701 - £150,000
Additional rate 45%	over £125,140	over £150,000

Dividend rates	2023-24	2022-23
Dividend allowance	£1,000	£2,000
Dividend ordinary rate	8.75%	8.75%
Dividend upper rate	33.75%	33.75%
Dividend additional rate	39.35%	39.35%
<b>Personal savings allowance</b>		
– basic rate taxpayers	£1,000	£1,000
– higher rate taxpayers	£500	£500
<b>Personal allowance and reliefs</b>	<b>2023-24</b>	<b>2022-23</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Personal allowance The personal allowance is gradually withdrawn by £1 for every £2 of income over £100,000.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	£2,870	£2,600
Income limit for personal allowance	£100,000	£100,000

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

National Insurance	2023-24	2022-23
Lower weekly earnings limit, primary Class 1	£123	£123
Upper weekly earnings limit, primary Class 1	£967	£967
Primary weekly earnings threshold From 6 April 2022 - 5 July 2022	£190	£190
Primary weekly earnings threshold From 6 July 2022 - 5 April 2023	£242	£190 from 6/4/22 to 5/7/22 £242 from 6/7/22 - 5/4/23
Secondary weekly earnings threshold	£175	£175
Employees' primary Class 1 rate between primary earnings threshold and upper earnings limit	12%	13.25% from 6/4/22 to 5/11/22 12.00% from 6/11/22 to 5/4/23
Employees' primary Class 1 rate above upper earnings limit	2%	3.25% from 6/4/22 to 5/11/22 2.00% from 6/11/22 to 5/4/23
Married women's reduced rate between primary earnings threshold and upper earnings limit	5.85%	7.1% from 6/4/22 to 5/11/22 5.85% from 6/11/22 to 5/4/23
Married women's rate above upper earnings limit	2%	3.25% from 6/4/22 to 5/11/22 2.00% from 6/11/22 to 5/4/23
Employers' secondary Class 1 rate above secondary earnings threshold	13.8%	15.05% from 6/4/22 to 5/11/22 13.80% from 6/11/22 to 5/4/23
Class 2 weekly rate	£3.45	£3.15
Class 2 small profits threshold (SPT)	£6,725 per year	£6,725 per year
Class 2 NICs liabilities are reduced to nil on profits between the SPT and lower profits limit.		
Special Class 2 weekly rate for share fishermen	£4.10	£3.80
Special Class 2 weekly rate for volunteer development workers	£6.15	£6.15
Class 3 voluntary weekly rate	£17.45	£15.85
Class 4 lower profits limit	£12,570	£11,908
Class 4 upper profits limit	£50,270 per year	£50,270 per year
Class 4 rate between lower profits limit and upper profits limit	9%	9.73%
Class 4 rate above upper profits limit	2%	2.73%

\* A National Insurance tax free allowance of £5,000 (2022-23: £5,000) 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	2023-24	2022-23
<b>Annual exempt amount</b>		
Individuals	£6,000	£12,300
Trusts	£3,000	£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	2023-24	2022-23
Aged 23 & over	£10.42	£9.50

National Minimum Wage – hourly rate	2023-24	2022-23
Aged 21 to 22	£10.18	£9.18
Aged 18 to 20	£7.49	£6.83
Aged 16 and 17	£5.28	£4.81
Apprentice rate	£5.28	£4.81

Capital Allowances	2023-24	2022-23
<b>Plant and machinery</b>		
- Main writing down allowance	18%	18%
- Long life assets, integral fixtures	6%	6%
- First year allowances – super-deduction	100%	-
- First year allowances – special rate	-	130%
- First year allowances - other	50%	50%
- R&D tax credits SME scheme	186%	230%
- R&D expenditure credit	20%	13%
- Structures and buildings allowance	3%	3%
- Annual Investment Allowance (AIA)	£1,000,000	£1,000,000

Corporation Tax	FY 2023	FY 2022
Main rate (profits over £250,000 from 1 April 2023)	25%	19%
Small profits rate (profits below £50,000)	19%	-
Marginal relief fraction	3/200	-

\* Since 1 April 2023, there are two rates of Corporation Tax. Taxable profits up to £50,000 will be taxed at 19% under the new small 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 which will provide for a gradual increase in the Corporation Tax rate. The bands are reduced for associated companies and short accounting periods.

There is a 3% (2022-23: 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	2023-24	2022-23
Lifetime allowance	abolished	£1,073,100
Maximum annual allowance*	£60,000	£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>2023-24</b>	<b>2022-23</b>
Single person	£156.20	£141.85
Addition for wife if non-contributor	£93.60	£85.00
<b>New state pension – per week</b>	<b>2023-24</b>	<b>2022-23</b>
Single person	£203.85	£185.15

\*The annual allowance is tapered for taxpayers whose income exceeds £260,000 (2022-23: £240,000). The allowance will reduce by £1 for every £2 that an individual's income exceeds £260,000 (2022-23: £240,000), down to a minimum of £10,000 (2022-23: £4,000).

Tax Favoured Investments	2023-24	2022-23
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.		



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