

## TAX RATES AND ALLOWANCES 2024/25

Income Tax Bands		
<b>England &amp; Northern Ireland</b>	<b>2024-25</b>	<b>2023-24</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 - £125,140
Additional rate 45%	over £125,140	over £125,140
<b>Scottish rates</b>	<b>2024-25</b>	<b>2023-24</b>
Starter rate – 19%	£1 - £2,306	£1 - £2,162
Basic rate – 20%	£2,307 - £13,991	£2,163 - £13,118
Intermediate rate – 21%	£13,992 - £31,092	£13,119 - £31,092
Higher rate – 42%	£31,093 - £62,430	£31,093 - £125,140
Advanced rate – 45%	£62,431 - £125,140	-
Additional rate – 48% (2023-24: 47%)	over £125,140	over £125,140
<b>Welsh bands</b>	<b>2024-25</b>	<b>2023-24</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 - £125,140
Additional rate 45%	over £125,140	over £125,140

\* 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	2024-25	2023-24
Dividend allowance	£500	£1,000
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>2024-25</b>	<b>2023-24</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Personal allowance The personal allowance is gradually withdrawn by £1 for every £2 of income over £100,000.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	£3,070	£2,870
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	2024-25	2023-24
Lower weekly earnings limit, primary Class 1	£123	£123
Upper weekly earnings limit, primary Class 1	£967	£967
Primary weekly earnings threshold	£242	£242
Secondary weekly earnings threshold	£175	£175
Employees' primary Class 1 rate between primary earnings threshold and upper earnings limit	8%	Between 6 April 2023 and 5 January 2024: 12% Between 6 January 2024 and 5 April 2024: 10%
Employees' primary Class 1 rate above upper earnings limit	2%	2%
Married women's reduced rate between primary earnings threshold and upper earnings limit	1.85%	Between 6 April 2023 and 5 January 2024: 5.85% Between 6 January 2024 and 5 April 2024: 3.85%
Married women's rate above upper earnings limit	2%	2%
Employers' secondary Class 1 rate above secondary earnings threshold	13.8%	13.8%
Class 2 weekly rate (voluntary)	£3.45	£3.45
Special Class 2 weekly rate for share fishermen	£4.10	£4.10
Special Class 2 weekly rate for volunteer development workers	£6.15	£6.15
Class 3 weekly rate (voluntary)	£17.45	£17.45
Class 4 lower profits limit	£12,570	£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	6%	9%
Class 4 rate above upper profits limit	2%	2%

\* A National Insurance tax free allowance of £5,000 (2023-24: £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	2024-25	2023-24
<b>Annual exempt amount</b>		
Individuals	£3,000	£6,000
Trusts	£1,500	£3,000
<b>Rates</b>		
Standard rate taxpayers*	18% (10% pre-budget)	10%
Higher rate taxpayers / Trustees*	24% (20% pre-budget)	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%

\* [The standard rate and higher rate of CGT were increased with effect from the Autumn 2024 budget date of 30 October 2024, bringing the rates into line with those applying to residential property gains].

National Living Wage - hourly rate	2024-25	2023-24
Aged 21 and over (2023-24: aged 23 and over)	£11.44	£10.42

National Minimum Wage - hourly rate	2024-25	2023-24
Aged 21 to 22	-	£10.18
Aged 18 to 20	£8.60	£7.49
Aged 16 and 17	£6.40	£5.28
Apprentice rate	£6.40	£5.28

Capital Allowances	2024-25	2023-24
<b>Plant and machinery</b>		
Main writing down allowance	18%	18%
Long life assets, integral fixtures	6%	6%
Full Expensing: 100% FYA (companies)	100%	100%
Full Expensing: Special Rate FYA (companies)	50%	50%
- R&D Intensive SME deduction rate	186%	186%
- R&D Merged Scheme	20%	-
- Structures and buildings allowance	3%	3%
- Annual Investment Allowance (AIA)	£1,000,000	£1,000,000

Corporation Tax	FY 2024	FY 2023
Main rate (profits over £250,000)	25%	25%
Small profits rate (profits below £50,000)	19%	19%
Marginal relief fraction	3/200	3/200

\* There are currently two rates of Corporation Tax. Taxable profits up to £50,000 are taxed at 19% under the small profits rate. Taxable profits in excess of £250,000 are taxed at 25%. Profits between £50,000 and £250,000 are subject to a marginal tapering relief which provides for a gradual increase in the Corporation Tax rate. The bands are reduced for associated companies and short accounting periods.

VAT	
Standard rate	20%
Reduced rate	5%
Zero rate	0%
Annual registration limit (from 1 April 2024)	£90,000
Annual deregistration limit (from 1 April 2024)	£88,000
VAT Cash accounting scheme threshold	£1,350,000
VAT Annual accounting scheme threshold	£1,350,000

Pension contributions	2024-25	2023-24
Lifetime allowance	Abolished	No charge
Maximum annual allowance*	£60,000	£60,000
Tax on excess	Marginal rate	Marginal rate
Normal minimum pension age for private pensions	55	55
Old state pension - per week (pre 6 April 2016)	2024-25	2023-24
Single person	£169.50	£156.20
Addition for wife if non-contributor	£101.55	£93.60
New state pension - per week	2024-25	2023-24
Single person	£221.20	£203.85

\* The annual allowance is tapered for taxpayers whose income exceeds £260,000 (2023-24: £260,000). The allowance will reduce by £1 for every £2 that an individual's income exceeds £260,000 (2023-24: £260,000), down to a minimum of £10,000 (2023-24: £10,000).

Tax Favoured Investments	2024-25	2023-24
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 £200,000 with rollover of chargeable gains.		



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