

# Moneyfacts<sup>®</sup> taxfacts

2026/27

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# Income Tax

<b>Bands:- main rates</b>	<b>2026/27</b>	<b>2025/26</b>
<b>£1 - £37,700</b> (£1 - £37,700)	<b>20%</b>	20%
<b>£37,701 - £125,140</b> (£37,701 - £125,140)	<b>40%</b>	40%
<b>Over £125,140</b> (over £125,140)	<b>45%</b>	45%

<b>Bands:- main rates - Scotland</b>	<b>2026/27</b>	<b>2025/26</b>
<b>£1 - £3,967</b> (£1 - £2,827)	<b>19%</b>	19%
<b>£3,968 - £16,956</b> (£2,828 - £14,921)	<b>20%</b>	20%
<b>£16,957 - £31,092</b> (£14,922 - £31,092)	<b>21%</b>	21%
<b>£31,093 - £62,430</b> (£31,093 - £62,430)	<b>42%</b>	42%
<b>£62,431 - £125,140</b> (£62,431 - £125,140)	<b>45%</b>	45%
<b>Over £125,140</b> (over £125,140)	<b>48%</b>	48%

The first **£500** (£500) of dividends is taxed at **0%** (0%), and this amount is taken into account in determining the income tax band. Dividends above **£500** (£500) are taxed at **10.75%** (8.75%), **35.75%** (33.75%) or **39.35%** (39.35%) as the top slice of total income.

The personal savings allowance exempts interest income of **£1,000** (£1,000) for basic rate taxpayers (20%) and **£500** (£500) for higher rate taxpayers (40%) only, it is not available to additional rate taxpayers (45%).

Where other non-dividend savings income (typically bank and building society interest) falls in the first **£5,000** (£5,000) of the basic rate band, it is taxed at **0%** (0%) rather than **20%** (20%).

There are special rules for trusts, and also for individuals with income assessable on the remittance basis.

An additional tax charge applies to clawback child benefit where one income in a household exceeds **£60,000** (£60,000), with full clawback by **£80,000** (£80,000).

<b>Personal allowances:-</b>	<b>2026/27</b>	<b>2025/26</b>
Personal allowance (a)	<b>£12,570</b>	£12,570
Income limit for personal allowance (b)	<b>£100,000</b>	£100,000
Blind person's allowance	<b>£3,250</b>	£3,130
Married couple's allowance (c)	<b>£11,700</b>	£11,270
Marriage allowance (d)	<b>£1,260</b>	£1,260
Trading income allowance (e) (f)	<b>£1,000</b>	£1,000
Property income allowance (f)	<b>£1,000</b>	£1,000

(a) The personal allowance applies to all individuals.

(b) The personal allowance is reduced by **£1** for each **£2** by which income exceeds **£100,000**.

(c) Relief is limited to **10%**, and extends to civil partnerships. At least one spouse/partner must have been born before 6 April 1935. The allowance is reduced where income exceeds **£39,200** (£37,700), subject to an absolute minimum of **£4,530** (£4,360).

(d) A non taxpayer can transfer up to **£1,260** (£1,260) of the personal allowance to a spouse or civil partner who is a basic rate taxpayer. Relief is given at **20%**.

(e) The trading income allowance applies to certain miscellaneous income from providing assets or services in the course of a trade.

(f) Trading or property income (before expenses) within these allowances is exempt. Individuals with gross trading or property income above the allowance can choose between deducting **£1,000** or actual allowable expenditure.

## National Insurance Contributions

### Class 1 Employees:-

Weekly earnings	2026/27	2025/26
Up to £242 (£242)	0%	0%
£242.01 - £967 (£242.01 - £967)	8%	8%
Over £967 (over £967)	2%	2%

### Class 1 Employers (a) (b):-

Weekly earnings		
Up to £96 (£96)	0%	0%
Over £96 (over £96)	15%	15%

(a) Eligible businesses and charities can claim a reduction of up to **£10,500** (£10,500) of their employers' contributions ("NIC employment allowance").

(b) No employers' contributions are payable on weekly earnings up to **£481** (£481) paid to freeport or investment zone employees, or up to **£967** (£967) paid to employees under 21, apprentices under 25 and veterans.

### Other:-

**Class 1A (employers only): 15%** (15%) on the amounts of taxable benefits.

**Class 1B (employers only): 15%** (15%) in respect of amounts in a PAYE settlement agreement and the income tax thereon.

**Class 2 (flat rate for self-employed): Nil** (nil). National Insurance credits will continue to accrue where profits are between **£7,105** (£6,845) and **£12,570** (£12,570) or where profits are below **£7,105** (£6,845) and voluntary contributions of **£3.65** (£3.50) per week are made.

**Class 3 (voluntary): £18.40** (£17.75) per week.

**Class 4 (self-employed): 6%** (6%) of profits between **£12,570** (£12,570) and **£50,270** (£50,270) per annum and **2%** (2%) on profits above **£50,270** (£50,270).

## National Minimum Wage & National Living Wage

From 1st April 2026 (21 and over)	£12.71 per hour
From 1st April 2026 (18 - 20 years)	£10.85 per hour
From 1st April 2026 (Under 18)	£8.00 per hour
From 1st April 2026 (Apprentice)	£8.00 per hour

## Apprenticeship Levy

A **0.5%** (0.5%) annual levy will be payable by employers, charged on pay bills in excess of **£3,000,000** (£3,000,000).

## Useful Rates

### Statutory Pay Rates:-

#### Sick (SSP)

Lower of 80% of average weekly earnings or £123.25 per week

Where average weekly earnings are £129 or over:-

#### Maternity (SMP)

90% of average weekly earnings

Minimum 90% average weekly earnings, min £116.10, max £194.32

#### Adoption (SAP)

90% of average weekly earnings

Minimum 90% average weekly earnings, min £116.10, max £194.32

#### Paternity (SPP)

90% of average weekly earnings, min £116.10, max £194.32

#### Parental Bereavement (SPBP)

90% of average weekly earnings, min £116.10, max £194.32

39 weeks

First 6 weeks

Next 33 weeks

39 weeks

First 6 weeks

Next 33 weeks

Up to 2 weeks

2 weeks

## Pension Rates

### Basic State Pension per week:-

#### A man born after 5.4.51 and a woman after 5.4.53

£241.30

#### A man born before 6.4.51 and a woman born before 6.4.53

Category A or B

£184.90

Category B (lower)

£110.75

### Pension Credit (guaranteed element) per week:-

Single person

£238.00

Couples and Civil Partnerships

£363.25

## Pension Contributions

	2026/27	2025/26
Lump Sum allowance	<b>£268,275</b>	£268,275
Lump Sum and death benefit allowance	<b>£1,073,100</b>	£1,073,100
Overseas transfer allowance	<b>£1,073,100</b>	£1,073,100
Maximum contribution annual allowance (a)	<b>£60,000</b>	£60,000
Tax on excess	<b>Marginal rate</b>	Marginal rate
Normal minimum pension age	<b>55</b>	55

(a) The annual allowance is reduced by **£1** for every **£2** of adjusted income in excess of **£260,000** (£260,000), down to a minimum reduced annual allowance of **£10,000** (£10,000).

An income tax exemption and NICs disregard covers the first **£500** worth of pension advice provided to an employee in a tax year if certain conditions are met.

## Tax-efficient Investments

	2026/27	2025/26
ISA limit (a)	<b>£20,000</b>	£20,000
Junior ISA limit (b)	<b>£9,000</b>	£9,000

(a) Investment can be in cash or shares, and peer to peer lending platforms.

(b) Investment can only be in cash or shares.

**Venture Capital Trusts (VCTs):** income tax relief at up to **30%** (30%) on investment up to **£200,000** (£200,000), with capital gains tax reliefs.

**Enterprise Investment Scheme (EIS):** income tax relief at up to **30%** (30%) on qualifying share subscriptions up to **£1,000,000** (**£2,000,000** if the excess over £1,000,000 is invested in knowledge-intensive companies), with capital gains tax reliefs.

**Seed Enterprise Investment Scheme (SEIS):** income tax relief of **50%** (50%) on investment up to **£200,000** (£200,000), with capital gains tax reliefs.

**Lifetime ISAs:** available to adults under the age of 40, who can contribute up to **£4,000** (£4,000) per year. Contributions made before the age of 50 qualify for a **25%** (25%) bonus from the Government. Funds from Lifetime ISAs can be used to buy a first home at any time from 12 months after the account opening or can be withdrawn from age 60.

## Capital Gains Tax

	2026/27	2025/26
Basic rate taxpayers (a) (b)	<b>18%</b>	18%
Trustees and <b>40%/45%</b> (40%/45%) taxpayers (a) (b)	<b>24%</b>	24%
Annual exempt amount - individuals	<b>£3,000</b>	£3,000
Annual exempt amount - trusts	<b>£1,500</b>	£1,500
Business asset disposal relief lifetime limit	<b>£1,000,000</b>	£1,000,000
Business asset disposal relief rate	<b>18%</b>	14%

(a) Gains on residential properties not qualifying for principal private residence relief are taxed at **18%** (18%) and **24%** (24%) respectively.

(b) Gains on carried interest were taxed at 32% until 5.4.26.

## Inheritance Tax

	2026/27	2025/26
<b>Up to £325,000</b> (£325,000) ("nil rate band")	<b>0%</b>	0%
<b>Over £325,000</b> (£325,000)	<b>40%</b>	40%

An additional nil rate band of **£175,000** (£175,000) is available when a main residence is passed on death to a direct descendant. If the net value of the estate exceeds **£2,000,000**, this additional nil rate band will be reduced by **£1** for each **£2** by which the net value exceeds that amount.

A surviving spouse or civil partner may claim the unused proportion of an earlier deceased spouse's, or civil partner's, nil rate band and additional nil rate band, up to the current nil rate band/additional nil rate band.

A reduced rate of **36%** (36%) applies when 10% or more of a net estate is left to charity.

**100%** relief on Agricultural and Business Property applies to the first **£2,500,000** of qualifying assets, with 50% relief applying to assets exceeding this threshold.

Reduced charges apply on lifetime gifts within seven years of death (which are not covered by the nil rate band).

### Exemptions to Inheritance Tax:-

Any gift spouses or civil partners give each other - as long as they live in the UK permanently; Gifts not exceeding **£3,000** (£3,000) in each tax year;

Wedding or civil ceremony gifts of up to **£5,000** (£5,000) to each child  
**£2,500** (£2,500) to each great/grandchild  
**£1,000** (£1,000) to any other person.

## Stamp Duties & Property Transaction Taxes

	2026/27	2025/26
<b>Shares and securities</b>	<b>0.5%</b>	0.5%
<b>Stamp duty reserve tax</b>	<b>0.5%/1.5%</b>	0.5%/1.5%

Stamp duty, and stamp duty reserve tax, is not charged on recognised growth markets, including AIM and ISDX.

### England and NI: Non-residential land and buildings (a):- rates applied cumulatively

	2026/27	2025/26
<b>£0 - £150,000</b> (£0 - £150,000)	<b>0%</b>	0%
<b>£150,001 - £250,000</b> (£150,001 - £250,000)	<b>2%</b>	2%
<b>Over £250,000</b> - (over £250,000)	<b>5%</b>	5%

### England and NI: Residential land and buildings (a) (b) (c) (d):- rates applied cumulatively

	2026/27	2025/26
<b>£0 - £125,000</b> (£0 - £250,000)	<b>0%</b>	0%
<b>£125,001 - £250,000</b> (£0 - £250,000)	<b>2%</b>	2%
<b>£250,001 - £925,000</b> (£250,001 - £925,000)	<b>5%</b>	5%
<b>£925,001 - £1,500,000</b> (£925,001 - £1,500,000)	<b>10%</b>	10%
<b>Over £1,500,000</b> (over £1,500,000)	<b>12%</b>	12%

(a) All figures are calculated inclusive of any VAT. For leases, the rate is based on the discounted rental values.

(b) Where residential property over £500,000 is purchased by a company (or similar entity) a **17%** (17%) rate applies. From 6 March 2024 public bodies are removed from the higher rate charge.

(c) From 31 October 2024 a **5%** (5%) surcharge applies to all second and additional residential properties on transactions of **£40,000** or more.

(d) First time buyers, including qualifying shared ownership, paying **£300,000** (£300,000) or less for a residential property pay no stamp duty land tax. For purchases between **£300,000** (£300,000) and **£500,000** (£500,000) stamp duty land tax is payable at **5%** on the excess over **£300,000** (£300,000).

**Scotland:** Land and buildings transaction tax applies with different rates and bands.

**Wales:** Land transaction tax applies with different rates and bands.

## Annual Tax On Enveloped Dwellings

An annual tax on enveloped dwellings is payable by a company (or similar entity) owning a residential property with a value more than **£500,000** (£500,000) on 1 April 2022 (or date of acquisition, if later). Tax is charged in bands, from a minimum of **£4,600** (£4,450) to a maximum of **£303,450** (£292,350).

## Digital Services Tax

Where revenues derived from digital activities exceed **£500,000,000** worldwide and **£25,000,000** from UK users, a rate of **2%** will be applied to revenues derived from UK users that exceed the **£25,000,000** tax free allowance.

## Corporation Tax

Financial Year	1 April 2026	1 April 2025
Main rate (profits over £250,000)	<b>25% (a)</b>	25% (a)
Small profit rate (profits under £50,000)	<b>19% (a)</b>	19% (a)
Surcharge on bank profits	<b>3%</b>	3%
Loss annual allowance per group	<b>£5,000,000</b>	£5,000,000
Restriction of carried forward losses (% of profits)	<b>50%</b>	50%

(a) For profits between £50,000 and £250,000, marginal relief is available.

## Diverted Profits Tax

Companies with diverted profits pay diverted profits tax at **31%** (31%) on such profits.

## Capital Allowances

Expenditure on:-	2026/27	2025/26
Plant and machinery (a)	<b>14%</b>	18%
Plant and machinery in freeports or investment zones	<b>100%</b>	100%
Motor cars - CO <sub>2</sub> emissions:		
<b>0g/km</b> (0g/km)	<b>100%</b>	100%
<b>50g/km or less</b> (50g/km or less) (a)	<b>14%</b>	18%
<b>Over 50g/km</b> (over 50g/km) (a)	<b>6%</b>	6%
New and unused zero emission goods vehicles	<b>100%</b>	100%
Long life assets/integral features in buildings (a)	<b>6%</b>	6%
Patent rights and know-how (a)	<b>25%</b>	25%
Mineral rights (a) (b)	<b>25%</b>	25%
Research and development	<b>100%</b>	100%
Structures and buildings allowance	<b>3%</b>	3%

Companies subject to Corporation Tax can claim **100% full expensing** relief on main rate plant or machinery or **50%** relief on special rate expenditure in the first-year. Businesses ineligible for full expensing can claim a 100% **annual investment allowance** on the first **£1,000,000** of qualifying expenditure per year. From 1 January 2026, a 40% first-year allowance (FYA) may apply where other FYAs are not available.

(a) These allowances are given on a reducing balance basis.

(b) Acquisition of mineral deposits and rights qualify for 10% p.a.

## Patent Box & Research & Development Tax Credit

	1 April 2026	1 April 2025
Patent box - effective corporation tax rate	<b>10%</b>	10%
R&D tax credits SME scheme deduction rate	<b>86%</b>	86%
R&D Merged Scheme	<b>20%</b>	20%

## Value Added Tax

	2026/27	2025/26
Standard rate	20%	20%
Lower rate	5%	5%
Zero rate	0%	0%
Registration threshold	£90,000	£90,000

## Insurance Premium Tax

	2026/27	2025/26
Standard rate	12%	12%
Higher rate	20%	20%

## Company Cars - Annual Benefits

The annual benefit is a percentage of list price, including certain accessories but reduced for capital contributions of up to **£5,000** (£5,000), with the percentage dependent on the level of CO<sub>2</sub> emissions. The benefit is **4%** (3%) for emissions of **0g/km** and for emissions of **1-50g/km** the benefit is **4%** (3%) if electric range is **>130 miles**, **7%** (6%) for **70-129 miles**, **10%** (9%) for **40-69 miles**, **14%** (13%) for **30-39 miles** and **16%** (15%) for **<30 miles**. For emissions of 51-54g/km, the rate is **17%** (16%) then increases by 1% for each additional full 5g/km up to a maximum charge of **37%** (37%) for emissions of **155g/km** (155g/km), excluding 70-74g/km at **21%** (20%) and 75-79g/km at **21%** (21%).

There is a diesel supplement of **4%** (4%), subject to the maximum charge of **37%** (37%).

The taxable benefit for significant private use of vans is **£4,170** (£4,020).

Where fuel is provided for private use in a company car, the taxable benefit percentage is applied to **£29,200** (£28,200). The benefit for fuel provided for a van with significant private use is **£798** (£769).

## Fuel Duty Rates

Pence per litre (unless stated)

	from 1.12.26 (a)	from 1.9.26	to 31.8.26
Unleaded petrol/diesel	<b>55.95p</b>	<b>53.95p</b>	52.95p
Biodiesel/bioethanol	<b>55.95p</b>	<b>53.95p</b>	52.95p
Liquefied petroleum gas used as road fuel per kg	<b>30.52p</b>	<b>29.43p</b>	28.88p
Natural gas used as road fuel per kg	<b>23.85p</b>	<b>23.00p</b>	22.57p
Rebated gas oil (red diesel)	<b>10.76p</b>	<b>10.37p</b>	10.18p
Fuel oil	<b>10.33p</b>	<b>9.96p</b>	9.78p

(a) From 1 March 2027, a further increase of 2 pence per litre will apply to the main unleaded petrol/diesel rate. A proportionate percentage reduction applies to other lower rates, where practical.

## Air Passenger Duty

### Rates per passenger:-

From 1 April 2025 (a) (b)	Lowest class of travel	Other classes of travel	Higher rate (c)
<b>Domestic</b>	<b>£8</b> (£7)	<b>£16</b> (£14)	<b>£142</b> (£84)
<b>Band A</b> (0 - 2,000 miles from London)	<b>£15</b> (£13)	<b>£32</b> (£28)	<b>£142</b> (£84)
<b>Band B</b> (2,001 - 5,500 miles from London)	<b>£102</b> (£90)	<b>£244</b> (£216)	<b>£1,097</b> (£647)
<b>Band C</b> (over 5,500 miles from London)	<b>£106</b> (£94)	<b>£253</b> (£224)	<b>£1,141</b> (£673)

(a) Flights from airports in the Scottish Highlands and Islands, and long haul flights from airports in Northern Ireland are exempt.

(b) Air passenger duty is not charged for children under 2 without a seat in any class or children under 16 at time of flight in the lowest class of travel.

(c) Aircraft over 20 tonnes and seating fewer than 19 passengers.

## Key Payment Dates & Deadlines

### 2025 - 2026 Income Tax and Class 4 NIC:-

1st payment on account	2nd payment on account	Balancing payment
31 January 2026	31 July 2026	31 January 2027

### Capital Gains Tax:-

(reporting deadlines)

### UK residential property

60 days after sale

### Other gains

31 December 2027

### Corporation Tax:-

9 months and 1 day after the end of accounting period.

Deadline for companies with taxable profits of up to £1,500,000. Where taxable profits exceed £1,500,000 companies will normally be required to pay by instalments.

### 2025 - 2026 Class 1A NICs on Relevant Benefits:-

19 July 2026	Postal payment
22 July 2026	Electronic payment

### 2025 - 2026 Returns Filing and Issuing Deadlines:-

19 April 2026	Final Full Payment Summary (FPS)
31 May 2026	Issue P60s to employees
6 July 2026	P11D and P11D(b) - and appropriate copies to employees
31 October 2026	Self Assessment Tax Paper Return
31 January 2027	Self Assessment Tax Return filed online

*This data was prepared on 3rd March 2026, for temporary reference. Action should not be taken on the strength of information contained herein without obtaining specific professional advice. (2025/26 details in brackets). Source: www.gov.uk*