

Moneyfacts® taxfacts

2023/24

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Moneyfacts House 66 - 70 Thorpe Road Norwich NR1 1BJ

Telephone: 01603 476476 e-mail: enquiries@moneyfacts.co.uk

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Income Tax

Bands:- main rates	2023/24	2022/23
£1 - £37,700 (£1 - £37,700)	20%	20%
£37,701 - £125,140 (£37,701 - £150,000)	40%	40%
Over £125,140 (over £150,000)	45%	45%

Bands:- main rates - Scotland	2023/24	2022/23
£1 - £2,162 (£1 - £2,162)	19%	19%
£2,163 - £13,118 (£2,163 - £13,118)	20%	20%
£13,119 - £31,092 (£13,119 - £31,092)	21%	21%
£31,093 - £125,140 (£31,093 - £150,000)	42%	41%
Over £125,140 (over £150,000)	47%	46%

The first **£1,000** (£2,000) of dividends is taxed at **0%** (0%), and this amount is taken into account in determining the income tax band. Dividends above **£1,000** (£2,000) are taxed at **8.75%** (8.75%), **33.75%** (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 **£50,000**, with full clawback by **£60,000**.

Personal allowances:-	2023/24	2022/23
Personal allowance (a)	£12,570	£12,570
Income limit for personal allowance (b)	£100,000	£100,000
Blind person's allowance	£2,870	£2,600
Married couple's allowance (c)	£10,375	£9,415
Marriage allowance (d)	£1,260	£1,260
Trading income allowance (e) (f)	£1,000	£1,000
Property income allowance (f)	£1,000	£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 **£34,600** (£31,400), subject to an absolute minimum of **£4,010** (£3,640).

(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

The Health and Social Care Levy was delivered through a temporary 1.25% increase in the main and additional rates of Class 1 and Class 4 NICs until 5.11.22 and ceased from 6.11.22.

Class 1 Employees:-

Weekly earnings	2023/24	from 6.11.22	to 5.11.22
Up to £242 (£190 then £242 from 6.7.22)	0%	0%	0%
£242.01 - £967 (£190.01 then £242.01 from 6.7.22 - £967)	12%	12%	13.25%
Over £967 (over £967)	2%	2%	3.25%

Class 1 Employers (a) (b):-

Weekly earnings			
Up to £175 (£175)	0%	0%	0%
Over £175 (over £175)	13.8%	13.8%	15.05%

(a) Eligible businesses and charities can claim a reduction of up to **£5,000** (£5,000) 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): 13.8% (15.05% then 13.8% from 6.11.22) on the amounts of taxable benefits.

Class 1B (employers only): 13.8% (15.05% then 13.8% from 6.11.22) in respect of amounts in a PAYE settlement agreement and the income tax thereon.

Class 2 (flat rate for self-employed): £3.45 (£3.15) per week on profits between **£6,725** (£6,725) and **£12,570** (£11,908 (c)). Where profits are less than **£12,570** (£11,908 (c)), no class 2 NICs are payable and National Insurance credits will continue to accrue.

Class 3 (voluntary): £17.45 (£15.85) per week.

Class 4 (self-employed): 9% (10.25% then 9% from 6.11.22) of profits between **£12,570** (£11,908 (c)) and **£50,270** (£50,270) per annum and **2%** (3.25% then 2% from 6.11.22) on profits above **£50,270** (£50,270).

(c) From 6 April 2022, the lower profits limit threshold was £9,880 for 13 weeks, rising to £12,570 from 6 July 2022, giving an annualised equivalent of £11,908.

National Minimum Wage & National Living Wage

From 1st April 2023 (23 years and over)	£10.42 per hour
From 1st April 2023 (21 - 22 years)	£10.18 per hour
From 1st April 2023 (18 - 20 years)	£7.49 per hour
From 1st April 2023 (Under 18)	£5.28 per hour
From 1st April 2023 (Apprentice)	£5.28 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:-

Average weekly earnings £123 or over

Sick (SSP)

Standard Rate £109.40 per week

Maternity (SMP)

39 weeks

90% of average weekly earnings First 6 weeks

Minimum 90% average weekly earnings, min £110.70, max £172.48 Next 33 weeks

Adoption (SAP)

39 weeks

90% of average weekly earnings First 6 weeks

Minimum 90% average weekly earnings, min £110.70, max £172.48 Next 33 weeks

Paternity (SPP)

Up to 2 weeks

90% of average weekly earnings, min £110.70, max £172.48

Parental Bereavement (SPBP)

2 weeks

90% of average weekly earnings, min £110.70, max £172.48

Pension Rates

Basic State Pension per week:-

A man born after 5.4.51 and a woman after 5.4.53

£203.85

A man born before 6.4.51 and a woman born before 6.4.53

Category A or B £156.20

Category B (lower) £93.60

Pension Credit (guaranteed element) per week:-

Single person £201.05

Couples and Civil Partnerships £306.85

Pension Contributions

	2023/24	2022/23
Lifetime allowance	Unlimited	£1,073,100 (a)
Equivalent to defined benefit pension	N/A	£53,655 pa
Maximum contribution annual allowance (b)	£60,000	£40,000
Tax on excess	Marginal rate	Marginal rate
Normal minimum pension age	55	55

(a) Special rules applied to individuals with benefits exceeding the lifetime allowance, or any previous protected amount. Excess over this amount could have been subject to a **25%** charge plus income tax on balances drawn, or **55%** for lump sum benefits.

(b) The annual allowance is reduced by **£1** for every **£2** of adjusted income in excess of **£260,000** (£240,000), down to a minimum reduced annual allowance of **£10,000** (£4,000).

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

	2023/24	2022/23
ISA limit (a)	£20,000	£20,000
Junior ISA limit (b)	£9,000	£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** (£100,000), 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

	2023/24	2022/23
Basic rate taxpayers (a)	10%	10%
Trustees and 40%/45% (40%/45%) taxpayers (a)	20%	20%
Annual exempt amount - individuals	£6,000	£12,300
Annual exempt amount - trusts	£3,000	£6,150
Business asset disposal relief lifetime limit	£1,000,000	£1,000,000
Business asset disposal relief rate	10%	10%

(a) Gains on residential properties not qualifying for principal private residence relief, and on carried interest, are taxed at **18%** and **28%** respectively.

Inheritance Tax

	2023/24	2022/23
Up to £325,000 (£325,000) ("nil rate band")	0%	0%
Over £325,000 (£325,000)	40%	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.

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

	2023/24	2022/23
Shares and securities	0.5%	0.5%
Stamp duty reserve tax	0.5%/1.5%	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

	2023/24	2022/23
£0 - £150,000 (£0 - £150,000)	0%	0%
£150,001 - £250,000 (£150,001 - £250,000)	2%	2%
Over £250,000 - (over £250,000)	5%	5%

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

	2023/24	from 23.9.22 to 22.9.22	
£0 - £125,000 (£0 - £125,000)	0%	0%	0%
£125,001 - £250,000 (£125,001 - £250,000)	0%	0%	2%
£250,001 - £925,000 (£250,001 - £925,000)	5%	5%	5%
£925,001 - £1,500,000 (£925,001 - £1,500,000)	10%	10%	10%
Over £1,500,000 (over £1,500,000)	12%	12%	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 **15%** rate applies.

(c) A **3%** 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 **£425,000** (£300,000 until 22.9.22) or less for a residential property pay no stamp duty land tax. For purchases between **£425,000** and **£625,000** (£300,000 and £500,000 until 22.9.22) stamp duty land tax is payable at **5%** on the excess over **£425,000** (£300,000 until 22.9.22).

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 **£4,150** (£3,800) to a maximum of **£269,450** (£244,750).

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 2023	1 April 2022
Main rate (profits over £250,000)	25% (a)	19%
Small profit rate (profits under £50,000)	19% (a)	19%
Surcharge on bank profits	3%	8%
Loss annual allowance per group	£5,000,000	£5,000,000
Restriction of carried forward losses (% of profits)	50%	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%** (25%) on such profits.

Capital Allowances

Expenditure on:-	2023/24	2022/23
Plant and machinery (a)	18%	18%
Plant and machinery in freeports or investment zones	100%	100%
Motor cars - CO ₂ emissions:		
0g/km (0g/km)	100%	100%
50g/km or less (50g/km or less) (a)	18%	18%
Over 50g/km (over 50g/km) (a)	6%	6%
New and unused zero emission goods vehicles	100%	100%
Long life assets/integral features in buildings (a)	6%	6%
Patent rights and know-how (a) (b)	25%	25%
Mineral rights (a) (c)	25%	25%
Research and development	100%	100%
Structures and buildings allowance	3%	3%

From 1 April 2023 until 31 March 2026, 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.

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

(b) Tax relief for expenditure on certain intangibles is given by accounting write downs.

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

Patent Box & Research & Development Tax Credit

	1 April 2023	1 April 2022
Patent box - effective corporation tax rate	10%	10%
R&D tax credit for SMEs	86%	130%
R&D expenditure credit - minimum rate	20%	13%

Value Added Tax

	2023/24	2022/23
Standard rate	20%	20%
Lower rate	5%	5%
Zero rate	0%	0%
Registration threshold	£85,000	£85,000

Insurance Premium Tax

	2023/24	2022/23
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 CO₂ emissions. The benefit is **2%** (2%) for emissions of **0g/km**, for emissions of **1-50g/km** the benefit is **2%** if electric range is **>130 miles**, **5%** for **70-129 miles**, **8%** for **40-69 miles**, **12%** for **30-39 miles** and **14%** for **<30 miles**. For emissions of **51-54g/km** the rate is **15%** then increases by **1%** for each additional full **5g/km** up to a maximum charge of **37%** for emissions of **160g/km**.

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 **£3,960** (£3,600).

Where fuel is provided for private use in a company car, the taxable benefit percentage is applied to **£27,800** (£25,300). The benefit for fuel provided for a van with significant private use is **£757** (£688).

Fuel Duty Rates

Pence per litre (unless stated)

	2023/24 (a)	2022/23 (a)
Unleaded petrol/diesel	52.95p	52.95p
Biodiesel/bioethanol	52.95p	52.95p
Liquefied petroleum gas used as road fuel per kg	28.88p	28.88p
Natural gas used as road fuel per kg	22.57p	22.57p
Rebated gas oil (red diesel)	10.18p	10.18p
Fuel oil	9.78p	9.78p

(a) From 23 March 2022 until 22 March 2024, there is a temporary reduction of 5 pence per litre 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 2023 (a) (b)	Lowest class of travel	Other classes of travel	Higher rate (c)
Domestic	£6.50	£13	£78
Band A (0 - 2,000 miles from London)	£13 (£13)	£26 (£26)	£78 (£78)
Band B (2,001 - 5,500 miles from London)	£87 (£84)	£191 (£185)	£574 (£554)
Band C (over 5,500 miles from London)	£91	£200	£601

(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

2022 - 2023 Income Tax and Class 4 NIC:-

1st payment on account	2nd payment on account	Balancing payment
31 January 2023	31 July 2023	31 January 2024

Capital Gains Tax:-

(reporting deadlines)

UK residential property

60 days after sale

Other gains

31 December 2024

Corporation Tax:-

9 calendar months and 1 day after the end of account 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.

2022 - 2023 Class 1A NICs on Relevant Benefits:-

19 July 2023	Postal payment
22 July 2023	Electronic payment

2022 - 2023 Returns Filing and Issuing Deadlines:-

19 April 2023	Final Full Payment Summary (FPS)
31 May 2023	Issue P60s to employees
6 July 2023	P11D and P11D(b) - and appropriate copies to employees
31 October 2023	Self Assessment Tax Paper Return
31 January 2024	Self Assessment Tax Return filed online

This data was prepared on 15th March 2023, for temporary reference. Action should not be taken on the strength of information contained herein without obtaining specific professional advice. (2022/23 details in brackets).

Source: www.gov.uk