

# Tax rates and related information

2024/25

## Income tax rates

Different rates and bands apply to non-savings and non-dividend income of 'Scottish taxpayers'.

The 2023/24 and 2024/25 Welsh rates of income tax for 'Welsh taxpayers' are such that the overall rates are as below.

Rate %	Taxable income 2023/24 £	Taxable income 2024/25 £
0 (1)	Up to 5,000	Up to 5,000
20 (2)	Up to 37,700	Up to 37,700
40 (3)	37,701 - 125,140	37,701 - 125,140
45 (4)	Over 125,140	Over 125,140

(1) Starting rate applies to savings income only.

(2) 8.75% for dividend income

(3) 33.75% for dividend income

(4) 39.35% for dividend income

Rate of income tax for discretionary trusts: 39.35% for dividend income  
45% for non-dividend income

## Capital gains tax

Tax rates	2023/24	2024/25
Individuals – basic rate (1) (2)	10%	10%
Individuals – higher/additional rate (1) (2)	20%	20%
Trusts and personal representatives (1)	20%	20%
Companies	see CT rates	see CT rates
<b>Annual exempt amounts</b>		
Individuals and personal representatives	£6,000	£3,000
Trusts (maximum)	£3,000	£1,500
Chattels proceeds exemption	£6,000	£6,000
<b>Capital gains tax relief</b>		
Lifetime limit – business asset disposal relief	£1,000,000	£1,000,000
Lifetime limit – Investors' relief	£10,000,000	£10,000,000
Rate	10%	10%

(1) An 18%/28% rate applies to disposals of residential property in 2023/24 and 18%/24% in 2024/25.

(2) An 18%/28% rate applies to carried interest.

### Important information

These are the announced figures, which should not be relied upon as they may change. Tax and Government legislation is that prevailing at the time, is subject to change without notice and depends on individual circumstances. Clients should always seek appropriate advice before making financial decisions.

## Income tax allowances

Allowance	2023/24 £	2024/25 £
<b>Personal allowance (1)</b>	12,570	12,570
Transferable tax allowance (2)	1,260	1,260
<b>Personal savings allowance</b>		
Basic-rate tax payers	1,000	1,000
Higher-rate tax payers	500	500
Additional-rate tax payers	0	0
<b>Dividend allowance</b>	1,000	500
<b>Married couple's allowance (MCA) (3)</b>		
Allowance	10,375	11,080
Minimum amount	4,010	4,280
<b>Income limit for MCA (4)</b>	34,600	37,000
<b>Blind person's allowance</b>	2,870	3,070
<b>'Rent-a-room'</b>	7,500	7,500

(1) Personal allowance is reduced by £1 for every £2 exceeding £100,000 of 'adjusted net income'. This is irrespective of age.

(2) Neither spouse or civil partner liable at higher or additional rates, and not in receipt of MCA.

(3) If one spouse/civil partner born before 6 April 1935. Relief is restricted to a 10% tax credit.

(4) MCA is reduced by £1 for every £2 of 'adjusted net income' over this limit, until reduced to the minimum amount (but also see note (1)).

### Scottish rates and bands for 2024/25

Taxable income £	Band name	Rate %
12,571 (1) - 14,876	Starter Rate	19
14,877 - 26,561	Basic Rate	20
26,562 - 43,662	Intermediate Rate	21
43,663 - 75,000	Higher Rate	42
75,001 - 125,140 (2)	Advanced Rate	45
Above 125,140 (2)	Top Rate	48

(1) Assumes individuals are in receipt of the standard UK personal allowance

(2) Those earning more than £100,000 will see their personal allowance reduced by £1 for every £2 earned over £100,000.

## Remittance basis charge

Remittance basis charge (2)	2024/25 £
UK resident for fewer than 7 of the past 9 tax years	NIL
UK resident for at least 7 of the past 9 tax years	30,000
UK resident for at least 12 of the past 14 tax years	60,000
UK resident for at least 15 of the past 20 tax years (1)	NIL

(1) Taxpayers resident for at least 15 of the past 20 tax years will be deemed domiciled for income tax, capital gains tax and inheritance tax.

(2) The current remittance basis regime is being abolished from 6 April 2025 and replaced by a residence based system.

## Inheritance tax

Inheritance tax	2024/25
<b>Tax rates</b>	
Estate	40%
Reduced rate (leaving 10% or more to charity)	36%
Lifetime transfer	20%
<b>Nil rate bands</b>	
Nil rate band limit (1)	£325,000
Residential nil rate band (RNRB) limit (1)	£175,000
Taper threshold for RNRB (2)	£2,000,000
<b>Exempt amounts</b>	
Annual exemption	£3,000
Small gifts exemption	£250
Wedding gifts exemption (Gifts made by)	
- parent	£5,000
- more remote ancestor	£2,500
- party to marriage	£2,500
- other person	£1,000

(1) Unused proportion can be transferred to surviving spouse or civil partner

(2) RNRB is reduced by £1 for every £2 that the estate is over the taper threshold.

## Inheritance tax tapering relief

Rates for transfers on death also apply to gifts within seven years of death subject to tapering relief.

Years between gift and death	Reduction in charge
0 - 3	NIL
3 - 4	20%
4 - 5	40%
5 - 6	60%
6 - 7	80%

## Tax-privileged pension savings

Tax-privileged pension savings	2024/25
Money purchase annual allowance	£10,000
Contributions: tax relief given up to higher of	– £3,600; or – 100% of relevant earning (capped at £60,000) (1)
Maximum tax-free lump sum	25% of the fund (up to a maximum of £268,275)

(1) The allowance is reduced by £1 for every £2 of income above £260,000 subject to a minimum allowance of £10,000.

## ISA limits

ISA limits	2023/24 £	2024/25 £
ISA subscription limit	20,000	20,000
Junior ISA limit	9,000	9,000
Child trust fund subscription limit	9,000	9,000

(1) This is on top of £20,000 ISA limit.

## High income child benefit charge

2023/24	Weekly £	Annual £
Eldest/Only child	24.00	1,248.00
Other children	15.90	826.80
2024/25	£	£
Eldest/Only child	25.60	1,331.20
Other children	16.95	881.40

For taxpayers with annual income between £60,000 and £80,000 a charge of 1% of the benefit for every £200 of income over £60,000 applies (100% if over £80,000) for each week they, or their partner, are in receipt of child benefit. This will move to a 'household income' basis from April 2026.

## Corporation tax

Financial year from	1 April 2023	1 April 2024
Tax rate	25%	25% (1)

(1) A 25% rate will only apply to companies with profits above £250,000.

A 19% rate will apply to companies with profits below £50,000. For companies with profits between £50,000 and £250,000, a hybrid rate will apply.

## Capital allowances

Capital allowances	2023/24	2024/25
<b>Plant and machinery (4)</b>		
- annual investment allowance (1)	£1m	£1m
- main rate pool (2)	18%	18%
- long life assets (2)	6%	6%
- integral features (2)	6%	6%
- structures and buildings (2)	3%	3%
<b>Cars</b>		
- CO2 emissions up to 50g/km (3)	18%	18%
- CO2 emissions over 50g/km	6%	6%

- (1) 100% annual investment allowance (AIA) up to stated limit for qualifying expenditure incurred on certain plant and machinery for each unlinked unincorporated business or corporate group.
- (2) Reducing balance
- (3) From 1 April 2021, only electric cars, or cars with zero emissions, will qualify for 100% relief.
- (4) From 1 April 2023 until 31 March 2026, companies can claim 100% and 50% first year allowances for qualifying plant and machinery.

## Value added tax

Value added tax	2023/24	2024/25
Standard rate	20%	20%
Reduced rate	5%	5%
VAT fraction (where included in cost)	1/6	1/6
Registration threshold	£85,000	£90,000
De-regulation threshold	£83,000	£88,000

Optional flat-rate scheme for small businesses is available.

## Research and development tax relief

Rates for deduction from	1 Apr 2023	1 Apr 2024
SME rate	186%	N/A
Tax credit rates	1 Apr 2023	1 Apr 2024
SME rate (surrender of losses)	14.5%	14.5%
Large company (taxable RDEC)	20%	N/A

## Patent box

Patent box	1 Apr 2023	1 Apr 2024
Effective rate on qualifying IP rights	10%	10%

## Annual tax on enveloped dwellings

The normal return and payment dates are 30 April in the year of assessment or 30 days from in year acquisition.

Property value	2023/24 (1)	2024/25 (2)
£500,000 - £1 million	£4,150	£4,400
£1 million - £2 million	£8,450	£9,000
£2 million - £5 million	£28,650	£30,550
£5 million - £10 million	£67,050	£71,500
£10 million - £20 million	£134,550	£143,550
More than £20 million	£269,450	£287,500

- (1) At 1 April 2017 or date of purchase if later.
- (2) At 1 April 2022 or date of purchase if later.

## Stamp duty land tax

Land and Buildings Transaction Tax replaced SDLT in Scotland from 1 April 2015.

Land Transaction Tax replaced SDLT in Wales from 1 April 2018.

### Percentages applying on the acquisition of property in the UK

Residential consideration £	Band at %	Non-residential consideration £	Band at %
0 - 250,000 (2)	NIL	0 - 150,000	NIL
250,001 - 925,000 (1)	5*	150,001 - 250,000	2
925,001 - 1,500,000 (1)	10*	Over 250,000	5
Over 1,500,000 (1)	12*		

- (1) A 15% rate will apply where residential property is purchased through a company or certain other structures where value exceeds £500,000.
- \* An additional SDLT surcharge of 3% will apply on the purchase of a second, or subsequent residential property.
- \* An additional SDLT surcharge of 2% will apply for non-UK residents purchasing residential property in England and Northern Ireland.
- (2) For first time buyers, a 0% rate will apply to the first £425,000, where the property value is less than or equal to £625,000.

### Percentages applying on the rental stream arising from the grant of a new lease in the UK

Residential relevant rental value £	Band at %	Non-residential relevant rental value £	Band at %
0 - 250,000	NIL	0 - 150,000	NIL
Over 250,000	1*	150,001 - 5,000,000	1*
		Over 5,000,000	2*

- \* The tax rate only applies to the relevant rental value which exceeds the nil rate band.

## Stamp duty

Stamp duty was abolished from 1 December 2003 on all transactions except for the following.

- Transfer of shares and securities\* (rate unchanged at 0.5%).
- Certain transactions involving partnership land.

\*From 28 April 2014 shares quoted on 'growth markets' such as AIM are not subject to stamp duty.

## Car and fuel benefits 2024/25

Cars		
Minimum	15% of list price (emissions level 51g/km CO2) (lower rates where emissions between 1g/km and 50g/km depending on electric range)	
Increments	1% for each additional 5g/km CO2 emissions over 51g/km CO2	
Diesel cars	4% surcharge	
Electric cars	2% of list price	
Maximum	37% of list price	

Emissions levels for most cars can be found on [www.vehicle-certification-agency.gov.uk](http://www.vehicle-certification-agency.gov.uk) CO2 level rounded down to nearest 5g.

If no emissions rating	Registered before 1 Jan 98	Registered after 1 Jan 98
1400cc or less	24%	24%
1401 - 2000cc	35%	35%
2001cc or more	37%	37%

## Fuel

Private fuel provided with company car - percentages as above for cars x £27,800.

### Approved mileage rates for business mileage in own car

Cars and vans	Per mile
0 - 10,000 miles	45p
Over 10,000 miles	25p

### Advisory mileage rates for business mileage in company car From 1 September 2022

Petrol/LPG	Diesel	
	Petrol	LPG
1400cc or less	13p	11p
1401 - 2000cc	15p	13p
2001cc or more	24p	21p

Hybrid cars are treated as either petrol or diesel cars for this purpose.

## National insurance contributions

### Employees' class 1 contributions 2024/25

Total weekly earnings	Over 21s	Under 21s/
		Apprentice under 25
Below £242 (1)	NIL	NIL
£242 - £967	8%	8%
Over £967	2%	2%
Married women's reduced rate	5.85% on earnings between £242 and £967 per week plus 2% on earnings above £967 per week	

- (1) Between £123 per week and £242 per week a zero rate applies to protect employees' contributory benefit entitlement.

### Employers' class 1 contributions 2024/25

Total weekly earnings	Over 21s	Under 21s/
		Apprentice under 25
Below £175	NIL	NIL
£175 - £967	13.8%	NIL
Over £967	13.8%	13.8%

Annual employment allowance (per employer) £5,000

### Class 2 - self employed

From 6 April 2024, Class 2 will be £0 per week

### Class 3 - voluntary

Flat rate £17.45 per week

### Class 4 - self employed

6% of profits between £12,570 and £50,270 per annum plus 2% on the excess

### Apprenticeship Levy 2024/25

Allowance (per employer)	£15,000
Rate	0.5%

## Environmental taxes

Plastic packaging tax	Year beginning 1 Apr 2024
Rate (£ per tonne)	£217.85 (1)
Allowance	-

- (1) If packaging contains less than 30% recycled plastic.

Electricity generator levy (1)	Year beginning 1 Jan 2024
Rate	45%
Allowance	£10m for a group

- (1) Only charged on exceptional generation receipts.

Climate change levy (1)	Year beginning 1 Apr 2024	Year beginning 1 Apr 2025
	Electricity (£ per kWh)	0.00775
Gas (£ per kWh)	0.00775	0.00775
LPG (£ per kg)	0.02175	0.02175
Any other taxable commodity (£ per kg)	0.06064	0.06064

- (1) Discounts apply where the taxpayer holds a climate change agreement. There are also carbon price support rates for electricity generation.

Landfill tax/Landfill disposals tax/Scottish landfill tax (1)	Year beginning 1 Apr 2024	Year beginning 1 Apr 2025
	Standard rate (£ per tonne)	£103.70
Lower rate (£ per tonne)	£3.30	£4.05

- (1) There are three separate landfill taxes, for England & NI, Scotland, and Wales, but the rates have remained the same so far.

Aggregates levy	Year beginning 1 Apr 2024
Rate (£ per tonne)	£2.03
Allowance	-

Energy (oil and gas) profits levy	Year beginning 1 Jan 2024
Rate	35%
Investment allowance	29% (1)

- (1) 80% for expenditure on upstream decarbonisation.

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