

Income Tax

Rates and bands (other than savings and dividend income)

2025/26		2024/25	
Band £	Rate %	Band £	Rate %
0 - 37,700	20	0 - 37,700	20
37,701 - 125,140	40	37,701 - 125,140	40
Over 125,140	45	Over 125,140	45

Income tax rates in Scotland and Wales on income other than savings and dividend income have been devolved.

Savings income 2025/26 and 2024/25

Savings allowance basic rate	£1,000
Savings allowance higher rate	£500

A starting rate of 0% may be available unless taxable non-savings income exceeds £5,000.

Dividend income 2025/26 2024/25

Dividend allowance	£500	£500
Dividend ordinary rate	8.75%	8.75%
Dividend upper rate	33.75%	33.75%
Dividend additional rate	39.35%	39.35%

Income Tax Reliefs

	2025/26	2024/25
Personal allowance	£12,570	£12,570
Personal allowance income limit	£100,000	£100,000
Marriage allowance	£1,260	£1,260
Married couple's allowance	£11,270	£11,080
- minimum amount	£4,360	£4,280
- income limit	£37,700	£37,000
Blind person's allowance	£3,130	£3,070

Pensions

	2025/26	2024/25
Lump sum allowance	£268,275	£268,275
Lump sum and death benefit allowance	£1,073,100	£1,073,100
Annual Allowance limit	£60,000	£60,000
Money Purchase Annual Allowance	£10,000	£10,000

Corporation Tax

Years to 31.3.25 and 31.3.26	Profits band £	Rate %
Small profits rate	0 - 50,000	19
Marginal rate	50,001 - 250,000	26.5
Main rate	Over 250,000	25
Marginal relief fraction	3/200	

Profits limits are reduced for a company with associated companies. Different rates apply for ring-fenced (broadly oil industry) profit.

Inheritance Tax

Death rate	Lifetime rate	Chargeable transfers 2025/26 and 2024/25
Nil	Nil	0 - £325,000 (nil rate band)
40%	20%	Over £325,000

A further nil rate band of £175,000 may be available in relation to current or former residences.

Devolved Income Tax

Scotland rates and bands

2025/26		2024/25	
Band £	Rate %	Band £	Rate %
tbc	tbc	0 - 2,306	19
tbc	tbc	2,307 - 13,991	20
tbc	tbc	13,992 - 31,092	21
tbc	tbc	31,093 - 62,430	42
tbc	tbc	62,431 - 125,140	45
tbc	tbc	Over 125,140	48

Wales rates and bands

2025/26		2024/25	
Band £	Rate %	Band £	Rate %
0 - 37,700	tbc	0 - 37,700	20
37,701 - 125,140	tbc	37,701 - 125,140	40
Over 125,140	tbc	Over 125,140	45

National Insurance

2025/26 Class 1 (employed) rates

Employee	%	Employer	%
Earnings per week		Earnings per week	
Up to £242	Nil	Up to £96	Nil
£242.01 - £967	8	Over £96	15
Over £967	2		

Entitlement to contribution-based benefits for employees retained for earnings between £125 and £242 per week. The employer rate is 0% for certain military veterans, employees under 21 and apprentices under 25 on earnings up to £967 per week.

Class 1A (employers)	15% on employee taxable benefits
Class 1B (employers)	15% on PAYE Settlement Agreements
Class 2 (self-employed)	nil (£3.50 per week where those with profits below £6,845 wish to make a voluntary contribution)
Class 3 (voluntary)	flat rate per week £17.75
Class 4 (self-employed)	6% on profits between £12,570 and £50,270 plus 2% on profits over £50,270

Car, Van and Fuel Benefits

2025/26		
CO ₂ emissions g/km		% of list price taxed
0		3
1 - 50		
Electric range	130 or more	3
	70 - 129	6
	40 - 69	9
	30 - 39	13
	under 30	15
51 - 54		16
For every extra 5		+1
155 and above		37

For fully diesel cars generally add a 4% supplement (unless the car is registered on or after 1 September 2017 and meets the Euro 6d emissions standard) but the maximum is still 37%. For emissions of 75g/km or more if the CO₂ figure does not end in a 5 or 0 round down to the nearest 5 or 0.

2025/26

Car fuel benefit	£28,200
Van benefit	£4,020
Van fuel benefit	£769

Capital Allowances

First Year Allowance (FYA) on certain plant, machinery and cars of 0g/km **100%**

Corporation tax FYA ('full expensing') on certain new, unused plant and machinery **100%**

Corporation tax FYA on new, unused long-life assets, integral features of buildings, etc. **50%**

Annual Investment Allowance £1,000,000 excluding cars

Writing Down Allowance

Long-life assets, integral features of buildings, cars over 50g/km **6%**

Other plant and machinery **18%**

Structures and Buildings Allowance **3%**

Value Added Tax

	From 1.4.25	From 1.4.24
Standard rate	20%	20%
Reduced rate	5%	5%
Annual Registration Limit	£90,000	£90,000
Annual Deregistration Limit	£88,000	£88,000

Disclaimer: Rates are for guidance only. Whilst we take care to ensure the accuracy of this document, no responsibility for loss occasioned by any person acting or refraining from action as a result of this information can be accepted by the authors or firm.

Capital Gains Tax

	2025/26	2024/25
Individuals		
Exemption	£3,000	£3,000
Standard rate	18%	10/18*%
Higher/additional rate	24%	20/24*%
Trusts		
Exemption	£1,500	£1,500
Rate	24%	20/24*%

*The 18/24% rates apply to disposals on/after 30 October 2024.

18/24% rates may apply to the disposal of certain residential property for both years.

Business Asset Disposal Relief

The first £1m of qualifying gains are charged at 10% for 2024/25 and 14% for 2025/26.

Property Taxes

Across the whole of the UK, residential rates may be increased by 5% for disposals on/after 31 October 2024 (4% in Wales and 6% in Scotland) where further residential properties are acquired.

Stamp Duty Land Tax up to 31 March 2025

Land and buildings in England and N. Ireland

Residential* Band £	Rate %	Non-residential Band £	Rate %
0 - 250,000	0	0 - 150,000	0
250,001 - 925,000	5	150,001 - 250,000	2
925,001 - 1,500,000	10	Over 250,000	5
Over 1,500,000	12		

First-Time Buyer relief may apply to residential purchases up to £625,000.*

*The residential property rules are scheduled to change from 1 April 2025.

Land and Buildings Transaction Tax as at 30 October 2024

Land and buildings in Scotland

Residential Band £	Rate %	Non-residential Band £	Rate %
0 - 145,000	0	0 - 150,000	0
145,001 - 250,000	2	150,001 - 250,000	1
250,001 - 325,000	5	Over 250,000	5
325,001 - 750,000	10		
Over 750,000	12		

First-Time Buyer relief may apply on the first £175,000 of residential purchases.

Land Transaction Tax as at 30 October 2024

Land and buildings in Wales

Residential Band £	Rate %	Non-residential Band £	Rate %
0 - 225,000	0	0 - 225,000	0
225,001 - 400,000	6	225,001 - 250,000	1
400,001 - 750,000	7.5	250,001 - 1,000,000	5
750,001 - 1,500,000	10	Over 1,000,000	6
Over 1,500,000	12		