



Tax Rates

2022/23

DRUMMOND LAURIE

CHARTERED ACCOUNTANTS

Income Tax

Rates and bands (other than savings and dividend income)

2022/23		2021/22	
Band £	Rate %	Band £	Rate %
0 - 37,700	20	0 - 37,700	20
37,701 - 150,000	40	37,701 - 150,000	40
Over 150,000	45	Over 150,000	45

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

Savings income	2022/23 and 2021/22
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	2022/23	2021/22
Dividend allowance	£2,000	£2,000
Dividend ordinary rate	8.75%	7.5%
Dividend upper rate	33.75%	32.5%
Dividend additional rate	39.35%	38.1%

Income Tax Reliefs

	2022/23	2021/22	
Personal allowance	£12,570	£12,570	
Personal allowance income limit	£100,000	£100,000	
Marriage allowance	£1,260	£1,260	
Married couple's allowance	£9,415	£9,125	
	- minimum amount	£3,640	£3,530
	- income limit	£31,400	£30,400
Blind person's allowance	£2,600	£2,520	

Individual Savings Accounts

	2022/23	2021/22
Overall investment limit	£20,000	£20,000
Junior account investment limit	£9,000	£9,000

Devolved Income Tax

Scotland rates and bands

2022/23		2021/22	
Band £	Rate %	Band £	Rate %
0 - 2,162	19	0 - 2,097	19
2,163 - 13,118	20	2,098 - 12,726	20
13,119 - 31,092	21	12,727 - 31,092	21
31,093 - 150,000	41	31,093 - 150,000	41
Over 150,000	46	Over 150,000	46

Wales rates and bands

2022/23		2021/22	
Band £	Rate %	Band £	Rate %
0 - 37,700	20	0 - 37,700	20
37,701 - 150,000	40	37,701 - 150,000	40
Over 150,000	45	Over 150,000	45

Capital Gains Tax

Individuals	2022/23	2021/22
Exemption	£12,300	£12,300
Standard rate	10%	10%
Higher/additional rate	20%	20%
Trusts		
Exemption	£6,150	£6,150
Rate	20%	20%

Higher rates (18/28%) may apply to the disposal of certain residential property and carried interest.

Business Asset Disposal Relief

The first £1m of qualifying gains are charged at 10%.

Inheritance Tax

Death rate	Lifetime rate	Chargeable transfers 2022/23 and 2021/22
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.

Car, Van and Fuel Benefits

2022/23		
CO ₂ emissions g/km		% of list price taxed
0		2
1 - 50		
Electric range	130 or more	2
	70 - 129	5
	40 - 69	8
	30 - 39	12
	under 30	14
51 - 54		15
For every extra 5		+1
160 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.

2022/23

Car fuel benefit	£25,300
Van benefit	£3,600
Van fuel benefit	£688

National Insurance

2022/23 Class 1 (employed) rates

Employee		Employer	
Earnings per week	%	Earnings per week	%
Up to £190*	Nil	Up to £175	Nil
£190.01* - £967	13.25	Over £175	15.05
Over £967	3.25		

Entitlement to contribution-based benefits for employees retained for earnings between £123 and £190* 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. (*£242 from 6 July 2022.)

Class 1A (employers)	15.05% on employee taxable benefits
Class 1B (employers)	15.05% on PAYE Settlement Agreements
Class 2 (self-employed)	nil on profits between £6,725 and £11,908 plus £3.15 per week where profits over £11,908
Class 3 (voluntary)	flat rate per week £15.85
Class 4 (self-employed)	10.25% on profits between £11,908 and £50,270 plus 3.25% on profits over £50,270

Selected Rates

	2022/23	2021/22
Weekly benefit	£	£
Basic State Pension	185.15	179.60
Old State Pension	141.85	137.60
Statutory pay standard rates - average weekly earnings £123 (£120) or over		
Sick Pay	99.35	96.35
Maternity/Adoption Pay	156.66	151.97
Shared Parental Pay	156.66	151.97
Paternity Pay	156.66	151.97

National Living Wage and National Minimum Wage

Age	NLW	21-22	18-20	16-17	Apprentices
From 1 April 2022	£9.50	£9.18	£6.83	£4.81	£4.81

Applies to apprentices under 19, or 19 and over in the first year of apprenticeship.

NLW applies to those aged 23 and over.

Tax Reliefs for Individuals

2022/23 and 2021/22

Enterprise Investment Scheme (EIS)

Relief on investments in certain unquoted trading companies up to £1m per annum (£2m for knowledge intensive companies):

- Income tax relief at 30%
 - Capital gains exemption on disposal
- Unlimited amounts of capital gains from the disposal of other assets may be able to be deferred by making an EIS investment.

Seed Enterprise Investment Scheme (SEIS)

Relief on investments in certain unquoted trading companies up to £100,000 per annum:

- Income tax relief at 50%
 - Capital gains exemption on disposal
- Capital gains from the disposal of other assets may be exempt up to £50,000 per annum by making an SEIS investment.

Venture Capital Trusts (VCTs)

Relief on investments in certain quoted companies up to £200,000 per annum:

- Income tax relief at 30%
 - Capital gains exemption on disposal
- Dividends received from VCTs may be exempt from income tax.
All reliefs subject to detailed conditions being met.

Corporation Tax

	Rate %		Rate %
Year to 31.3.23	19	Year to 31.3.22	19

Different rates apply for ring-fenced (broadly oil industry) profit.

Capital Allowances

Corporation tax super-deduction on certain plant and machinery until 31 March 2023 **130%**

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

Corporation tax FYA on long-life assets, integral features of buildings, etc. until 31 March 2023 **50%**

Annual Investment Allowance £1,000,000 (£200,000 from 1 April 2023)

Excludes 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%

Pensions

	2022/23	2021/22
Lifetime Allowance limit	£1,073,100	£1,073,100
Annual Allowance limit	£40,000	£40,000
Money Purchase Annual Allowance	£4,000	£4,000

Value Added Tax

	From 1.4.22	From 1.4.21
Standard rate	20%	20%
Reduced rate	5%	5%*
Annual Registration Limit	£85,000	£85,000
Annual Deregistration Limit	£83,000	£83,000

*12.5% for hospitality and tourism from 1 October 2021 - 31 March 2022.

Property Taxes

Across the whole of the UK, residential rates may be increased by 3% (4% in Scotland and Wales) where further residential properties are acquired.

Stamp Duty Land Tax

Land and buildings in England and N. Ireland

Residential Band £	Rate %	Non-residential Band £	Rate %
0 - 125,000	0	0 - 150,000	0
125,001 - 250,000	2	150,001 - 250,000	2
250,001 - 925,000	5	Over 250,000	5
925,001 - 1,500,000	10		
Over 1,500,000	12		

First-Time Buyer relief may apply to residential purchases up to £500,000.

Land and Buildings Transaction Tax

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

Land and buildings in Wales

Residential Band £	Rate %	Non-residential Band £	Rate %
0 - 180,000	0	0 - 225,000	0
180,001 - 250,000	3.5	225,001 - 250,000	1
250,001 - 400,000	5	250,001 - 1,000,000	5
400,001 - 750,000	7.5	Over 1,000,000	6
750,001 - 1,500,000	10		
Over 1,500,000	12		

Disclaimer: Rates are for guidance only. No responsibility for loss occasioned by any person acting/refraining from action as a result of this information can be accepted by the authors or firm.



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