

2024 Spring Budget: Tax rates

6 March 2024

Income Tax

Reliefs

	2024/25	2023/24
	£	£
Personal allowance(2)	12,570	12,570
Married couple's allowance(3)	11,080	10,375
– Maximum income before abatement of relief - £1 for £2	37,000	34,600
– Minimum allowance	4,280	4,010
Transferable Tax allowance for married couples and civil partners(4)	1,260	1,260
Blind person's allowance	3,070	2,870
Enterprise investment scheme relief limit(5)	1,000,000	1,000,000
Venture capital trust relief limit	200,000	200,000
Seed enterprise investment scheme relief limit	200,000	100,000

Notes:

- (1) Scottish taxpayers pay Scottish income tax on non-savings income.
- (2) The personal allowance of any individual with adjusted net income above £100,000 is reduced by £1 for every £2 of adjusted net income above the £100,000 limit.
- (3) Only available where at least one partner was born before 6 April 1935. Relief restricted to 10%.
- (4) The recipient must not be liable to tax above the basic rate. The recipient is eligible for a tax reduction of 20% of the transferred amount.
- (5) The limit is £2 million, where over £1 million is invested in knowledge intensive companies.

Thresholds

	2024/25	2023/24
	£	£
Savings income starting rate band	1 – 5,000	1 – 5,000
Basic rate band	1 – 37,700	1 – 37,700
Higher rate band	37,701 – 125,140	37,701 – 125,140
Additional rate band	125,141 +	125,141 +
Dividend allowance	500	1,000
Savings allowance		
– Taxpayer with basic rate income	1,000	1,000
– Taxpayer with higher rate income	500	500
– Taxpayer with additional rate income	Nil	Nil
Standard rate band for trusts	500	1,000

Scottish taxpayers are subject to different tax rates and thresholds. Please contact us for advice with this regard.

Simplification Measures

	2024/25	2023/24
	£	£
'Rent-a-room' limit	7,500	7,500
Property allowance/Trading allowance	1,000	1,000

Rates

	2024/25	2023/24
	%	%
Starting rate for savings income only	0	0
Basic rate for non-savings and savings income only	20	20
Higher rate for non-savings and savings income only	40	40
Additional and trust rate for non-savings and savings income	45	45
Dividend ordinary rate	8.75	8.75
Dividend upper rate	33.75	33.75
Dividend additional rate and trust rate for dividends	39.35	39.35

Charges

Child benefit charge	Withdrawal rate
Adjusted net income >£60,000	1% of benefit per £100 of income between £60,000 and £80,000
Adjusted net income >£80,000	Full child benefit amount assessable in that tax year

Tax Rates

ISA, Employer Supported Childcare, Pension & NI Contributions

ISA Limits

	2024/25	2023/24
	£	£
Maximum subscription:		
'Adult' ISAs	20,000	20,000
Junior ISAs	9,000	9,000

Pension contributions

	Annual allowance (1)	Minimum pension age
	£	
2024/25	60,000	55
Basic amount qualifying for tax relief		£3,600

Note: (1) The annual allowance is tapered by £1 for every £2 of adjusted income above £260,000. It cannot be reduced below £10,000.

Employer Supported Childcare

	2024/25	2023/24
Exemption – basic rate taxpayer(2)	£55 per week	£55 per week

Note: (2) For schemes joined on or after 6 April 2011 the exempt childcare amounts for higher and additional rate taxpayers (based on the employer's earning assessment only) are £28 and £25 respectively.

National Insurance Contributions

Class 1 limits	Annual	2024/25 Monthly	Weekly
Lower earnings limit (LEL)	£6,396	£533	£123
Primary threshold (PT)	£12,570	£1,048	£242
Secondary threshold (ST)	£9,100	£758	£175
Upper earnings limit (UEL)	£50,270	£4,189	£967

Class 1 primary contribution rates

Earnings between PT and UEL	8%
Earnings above UEL	2%

Class 1 secondary contribution rates

Earnings above ST	13.8%
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Employment allowance

Per year, per employer	£5,000
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Class 1A contributions 13.8%

Class 1B contributions 13.8%

Class 2 contributions N/A

Class 3 contributions £17.45

Class 4 contributions

Percentage rate between LPL and UPL	6%
Percentage rate above UPL	2%

Tax Rates

Capital Gains Tax, Stamp Duty & Inheritance Tax

Capital Gains Tax

	2024/25	2023/24
Annual exempt amount for individuals	£3,000	£6,000
CGT rates for individuals, trusts and estates		
Gains qualifying for business asset disposal ⁽¹⁾ /investors' relief	10%	10%
Gains for individuals falling within remaining basic rate band ⁽²⁾	10%	10%
Gains for individuals exceeding basic rate band and gains for trusts and estates ⁽³⁾	20%	20%

Notes:

- (1) Formerly called entrepreneurs' relief.
- (2) The rate is 18% if the gain is in respect of a residential property.
- (3) The rate is 24% (28% in 2023/24) if the gain is in respect of a residential property.

	2024/25	2023/24
Business Asset Disposal relief		
Relevant gains (lifetime maximum) ⁽⁴⁾	£1 million	£1 million
Investors' relief		
Relevant gains (lifetime maximum)	£10 million	£10 million

Note:

- (4) For qualifying disposals made before 11 March 2020 the lifetime limit was £10 million.

Stamp Duty Land Tax

First time buyer – property value up to £625,000

Relevant consideration	rate
0 - 425,000	nil
425,001 – 625,000	5%

Residential – individuals and trusts¹

Relevant consideration	rate*
0 - 250,000	nil
250,001 – 925,000	5%
925,001 – 1,500,000	10%
1,500,000 +	15%

* Trusts, and individuals buying an additional property pay an additional 3%

Non-residents pay an additional 2% (above the additional 3% if applicable)

Residential - companies

Relevant consideration	rate*
0 - 250,000	3%
250,001 – 500,000	8%
500,000+	12%

* Non-residents pay an additional 2%

Non-residential

Relevant consideration	rate
0 - 150,000	nil
150,001 – 250,000	2%
250,000+	5%

Inheritance Tax

Death rate	40% ⁽³⁾	Lifetime rate	20%
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Note: (3) 36% rate applies where 10% or more of the deceased person's net chargeable estate is left to charity

Nil rate bands

6 April 2009 – 5 April 2026 £325,000

Residence nil rate bands⁽⁴⁾

6 April 2020 – 5 April 2026 £175,000

Note: (4) An additional nil rate band is available where a main residence is passed on death to a direct descendant. Tapered withdrawal for estates > £2million.

Taper relief applies when the person making the gift dies between 3 to 7 years after making the gift.

Quick Succession relief applies reduces the tax payable when the same property has been subject to more than one charge to IHT.

Exemptions apply on lifetime gifts which will reduce the overall value of your death estate, please contact us for further information.

Tax Rates

Capital Allowances and VAT

Capital Allowances

	Rate
Annual investment allowance for plant and machinery (AIA) ⁽¹⁾	100%
WDA on plant and machinery in main pool ⁽²⁾	18%
WDA on plant and machinery in special rate pool ⁽³⁾	6%
WDA on patent rights and know-how	25%
WDA on structures and buildings (SBA) ⁽⁴⁾	3%

Notes:

- (1) On first £1,000,000 of investment in plant & machinery (not cars) from 1 January 2019.
- (2) The main pool rate applies to cars with CO₂ emissions of not more than 50g/km (prior to April 2021 not more than 110g/km).
- (3) The special pool rate applies to cars with CO₂ emissions greater than 50g/km (prior to April 2021 greater than 110g/km).
- (4) A 10% rate applies in respect of Freeport tax site expenditure (until 30 September 2026) and on investment zone expenditure.

100% First year allowances (FYA) available to all businesses

- Capital expenditure incurred by a person on research and development.
- New zero-emission goods vehicles (until April 2025).
- New cars which either emit 0 g/km of CO₂ (50g/km prior to April 2021) or are electric (until April 2025).
- Electric vehicle charging points (until April 2025).

First year allowances (FYA) available to companies only

	Assets in main pool	Assets in special rate pool
Expenditure on new plant and machinery (other than cars) between 1 April 2023 and 31 March 2026 ⁽⁵⁾	100%	50%
Expenditure on new plant and machinery (other than cars) in a freeport tax site (until 30 September 2026)	100%	100%
Expenditure on new plant and machinery (other than cars) in an investment zone	100%	100%

Notes:

- (5) 130% for expenditure between 1 April 2021 and 31 March 2023.

Value Added Tax

	Standard rate	VAT fraction
Rate	20%	1/6
Limits		
		£
Annual registration limit		90,000
De-registration limit		88,000
Thresholds		
	Cash accounting	Annual accounting
	£	£
Turnover threshold to join scheme	1,350,000	1,350,000

Tax Rates

Corporation Tax, Research & Development and HMRC Interest Rates

Corporate Tax

Financial year	2024-2025
Main rate	25%
Standard small profits rate	19%
Augmented profit limit for standard small profits rate	£50,000
Augmented profit limit for marginal relief	£250,000
Standard marginal relief fraction	3/200
Marginal rate	26.5%
Patent Box rate	10%

Research and development expenditure

Financial year	2024-2025
R&D Intensive SME deduction rate	186%
R&D Intensive SME payable credit	14.5%
R&D Merged Scheme expenditure credit	20%
R&D Intensive SME intensity ratio	30%

HMRC Interest Rates

	Rate
Late payment interest	7.75%
Interest on underpaid corporation tax instalments	6.25%
Repayment interest	4.25%
Interest on overpaid corporation tax instalments	5.00%

Tax Rates

Your Notes



Notes

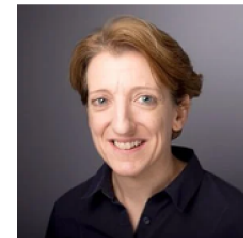
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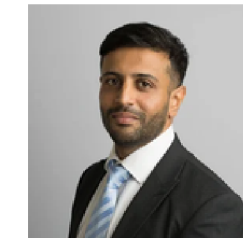
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