

Corporation Tax

Year to 31.03.24	Profits band £	Rate %
Small profits rate	0 - 50,000	19
Marginal rate	50,001 - 250,000	25.5
Main rate	Over 250,000	25
Marginal relief fraction	3/200	

For the year to 31.03.23 the main rate of corporation tax was 19%. Special rates apply to accounting periods ending 1 April 2023. For the year to 31.03.24 the profit limits are reduced for a company with associated companies. Different rates apply for ring-fenced liability of industry/sports.

Capital Allowances

First Year Allowance (FYA) on certain plant, machinery and cars of 50k/m	100%
Corporation tax FYA (full expensing) on certain new, unused plant and machinery from 1 April 2023	100%
Corporation tax FYA on new, unused long-life assets: integral features of buildings, etc. from 1 Apr 9 2023	50%
Annual Investment Allowance £100,000 excluding cars	
Writing Down Allowance	
Long-life assets, integral features of buildings, cars over 50k/m	6%
Other plant and machinery	18%
Structures and Buildings Allowance	3%

Pensions

	2023/24	2022/23
Lifetime Allowance (LTA) limit	No LTA charge	£1,133,300
Annual Allowance limit	£40,000	£40,000
Money Purchase Annual Allowance	£10,000	£10,000

Value Added Tax

	From 1.4.23	From 1.4.22
Standard rate	20%	20%
Reduced rate	5%	5%
Annual Registration Limit	£85,000	£85,000
Annual De-registration Limit	£85,000	£85,000

*Business fees on the options may be repayable by the accountancy or accounting services provider as a result of the business or the client ceasing to trade.

Income Tax

Rates and bands (before tax savings and dividend income)

2023/24		2022/23	
Band £	Rate %	Band £	Rate %
0 - 27,000	0%	0 - 27,000	10%
27,001 - 37,700	12%	27,001 - 37,700	20%
37,701 - 47,700	20%	37,701 - 47,700	40%
Over 47,700	40%	Over 47,700	45%

Income tax rates in Scotland and Wales are income other than savings and dividend income have been derived.

	2023/24 and 2022/23
Savings Income	
Savings allowance basic rate	£1,000
Savings allowance higher rate	£500
A starling rate of 0% may be available unless basic rate savings income exceeds £5,000.	

	2023/24	2022/23
Dividend Income		
Dividend allowance	£1,000	£2,000
Dividend ordinary rate	8.75%	8.75%
Dividend upper rate	33.75%	33.75%
Dividend additional rate	39.35%	39.35%

Income Tax Reliefs

	2023/24	2022/23
Personal allowance	£12,570	£12,570
Personal allowance income limit	£100,000	£100,000
Marriage allowance	£1,260	£1,260
Married couples allowance	£10,275	£9,445
- minimum amount	£4,010	£3,640
- income limit	£54,800	£51,400
Blind persons allowance	£2,785	£2,800

Individual Savings Accounts

	2023/24	2022/23
Overall investment limit	£20,000	£20,000
Junior account investment limit	£9,000	£9,000

Selected Rates

	2023/24	2022/23
Weekly benefit	£	£
New State Pension:	263.25	263.25
Old State Pension:	266.20	266.20
Statutory pay standard rates - average weekly earnings (S23 (1)(2)) of 2021		
Sick Pay	108.40	99.25
Maternity/Adoption Pay	172.48	166.56
Shared Parental Pay	172.48	166.56
Paternity Pay	172.48	166.56

National Living Wage and National Minimum Wage

Age	16-17	18-20	21-22	23-24	25+
From 1 April 2023	£9.50	£10.16	£11.44	£12.21	£12.21

Applies to apprentices under 18 or 19 and over in the first year of apprenticeship. NMW applies to those aged 17 and over.

Tax Reliefs for Individuals

2023/24	
Enterprise Investment Scheme (EIS)	
Relief on investments in certain unquoted trading companies up to £1m per annum/52m for knowledge intensive companies:	
- Income tax relief at 30% - Capital gains exemption on disposal (limited 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 £100,000* per annum by making an SEIS investment).	
Venture Capital Traders (VCTs)	
Relief on investments in certain quoted companies up to £100,000 per annum:	
- Income tax relief at 30% - Capital gains exemption on disposal (Dividends received from VCTs may be exempt from income tax. *limits subject to Parliamentary approval.	

Car, Van and Fuel Benefits

2023/24		2022/23
CO₂ emissions g/km		% of list price based
0	0	3
1-50	26	26
Electric usage	50% or more	2
	30-50	5
	40-50	8
	30-39	10
	under 30	16
EV - 5A		16
For every extra 5	-1	
100 and above	37	

For fully diesel cars generally add a 4% emission factor (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 30g/km or more if the CO₂ figure does not meet a 1 or 2 band due to the nearest 1 or 2.

	2023/24
Car fuel benefit	£7,800
Van benefit	£3,800
Van fuel benefit	£757

Stamp Duty Land Tax

Land and buildings in England and N. Ireland
Residential rates may be increased by 1% where further residential properties are acquired.

Residential Band £	Rate %	Non-residential Band £	Rate %
0 - 250,000	0	0 - 100,000	0
250,001 - 500,000	5	100,001 - 250,000	2
500,001 - 1,000,000	10	Over 250,000	5
Over 1,000,000	12		

First-Time Buyer relief may apply to residential purchases up to £125,000.



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TAX RATES 2023/24

National Insurance

2023/24 Class 1 (employed) rates		2022/23	
Employee		Employer	
Earnings per week	%	Earnings per week	%
Up to £242	12	Up to £175	10
£242.01 - £947	10	Over £175	12.5
Over £947	2		

Contributors to contribution-based benefits for employees retained for savings bonds (S3 and C24) per week. The employer rate is 1% for certain military veterans, employees under 25 and apprentices under 25 on earnings up to £947 per week.

Class 1B (Employers) 12.5% an employee taxable benefits

Class 1B (Employees) 12.5% an PFI Settlement Agreements

Class 2 (self-employed) 3% on profits between £12,570 and £10,000 plus £3.45 per week where profits over £10,000

Class 3 (voluntary) flat rate per week £7.40

Class 4 (self-employed) 9% on profits between £12,570 and £50,270 plus 2% on profits over £50,270

Capital Gains Tax

Individuals	2023/24	2022/23
Exemption	£10,000	£12,500
Standard rate	10%	10%
Highest/Additional rate	20%	20%

Trusts

Exemption	£1,000	£1,000
Rate	20%	30%

Higher rates (10-20%) may apply to the disposal of certain residential property and artwork interest.

Business Asset Disposal Relief
The first £1m of qualifying gains are charged at 10%.

Inheritance Tax

Death rate	Lifetime rate	Chargeable transfers 2023/24 and 2022/23
10%	20%	0 - £25,000 (nil rate band)
40%	20%	Over £25,000

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