

Tax Facts 2023/24

Based on the Autumn Statement and other
fiscal announcements to 22 November 2023



Income tax rates

	2023/24	Rate	2022/23	Rate	Note
Individuals – UK					
Starting rate	£1 - £5,000	20%	£1 - £5,000	20%	A, D, E
Basic rate	£5,001 - 37,700	20%	£5,001 - £37,700	20%	B, C, D, E
Higher rate	£37,701 - £125,140	40%	£37,701 - £150,000	40%	B, D, E
Additional rate	Over £125,140	45%	Over £150,000	45%	B, D, E
Individuals – Scottish income tax					
Starter rate	£1 - £2,162	19%	£1 - £2,162	19%	D
Basic rate	£2,163 - 13,118	20%	£2,163 - £13,118	20%	C, D
Intermediate rate	£13,119 - £31,092	21%	£13,119 - £31,092	21%	D
Higher rate	£31,093 - £125,140	42%	£31,093 - £150,000	41%	D
Top rate	Over £125,140	47%	Over £150,000	46%	D
Trusts					
Standard rate	£1 - 1000	20%	£1 - £1,000	20%	B, F
Trust rate	Over £1,000	45%	Over £1,000	45%	B

- A. Rate on non dividend savings income up to £5,000 is 0% where taxable non savings income does not exceed £5,000.
- B. Dividends exceeding the dividend allowance are taxed at 8.75% for starting, basic and standard rate taxpayers, 33.75% for higher rate taxpayers and 39.35% for additional and trust rate taxpayers.
- C. Basic rate band increased by gross Gift Aid donations and certain personal pension contributions.
- D. Scottish income tax and rate bands apply to earned, pensions and property income of Scottish taxpayers. UK income tax rates and bands apply for other income, including savings and dividend income of Scottish taxpayers.
- E. The Welsh government has the right to set the Welsh rate of income tax that applies to earned, pension and property income of Welsh taxpayers in addition to the UK rates after reducing those rates by 10%. The Welsh government has set the Welsh rate of income tax at 10% for 2023/24 (2022/23: 10%), leaving the combined UK plus Welsh rates the same as those applying in England and Northern Ireland.
- F. From 6 April 2024 the trust standard rate will be repealed and subject to related trusts rules, trusts with less than £500 of net income may be treated as receiving £nil income and therefore incur no charge to income tax.

Income tax allowances, reliefs and charges

	2023/24	2022/23	Note
Personal allowance	£12,570	£12,570	A, B
Married couple's/civil partners' allowance	£10,375	£9,415	B, C
Minimum married couple's/civil partners' allowance	£4,010	£3,640	B, C
Income limit for married couple's/civil partners' allowance	£34,600	£31,400	B, C
Transferable marriage/civil partners' allowance	£1,260	£1,260	B, D
Blind person's allowance	£2,870	£2,600	B
Rent a room relief (maximum)	£7,500	£7,500	
Dividend allowance	£1,000	£2,000	E
Savings allowance	£1,000	£1,000	F
Trading income allowance	£1,000	£1,000	G
Property income allowance	£1,000	£1,000	G

- A. Reduced by £1 for every £2 of income over £100,000.
- B. Non residents may not be entitled to personal allowances in certain circumstances.
- C. Available to persons born before 6 April 1935. Relief limited to 10%. Reduced to minimum allowance by £1 for every £2 over income limit.
- D. Transferable marriage/civil partners' allowance applies to recipient taxpayers who are not liable to income tax at the higher or additional rate or Scottish income tax at the higher or top rate.
- E. Reducing to £500 from 6 April 2024.
- F. £500 for higher rate and £nil for additional rate taxpayers.
- G. If gross income exceeds £1,000, a deduction of £1,000 instead of actual expenses is permitted.

High income child benefit charge: 1% of the benefit per £100 of adjusted net income over £50,000; 100% of the benefit when adjusted net income is over £60,000.

Pension contributions

	2023/24	2022/23	Note
Annual allowance	£60,000	£40,000	A
Lifetime allowance	£1,073,100	£1,073,100	B

- A. Up to the lower of 100% of earnings or the maximum contribution. Maximum contribution is the annual allowance plus unutilised allowances from the three previous tax years. Up to £3,600 may be contributed irrespective of earnings. Annual allowance reduced: by £1 for every £2 income over £260,000 to a minimum of £10,000; and, to £10,000 maximum if certain pension drawings made.
- B. No lifetime allowance charge will be applied for 2023/24. The lifetime allowance is scheduled to be abolished with effect from 6 April 2024.

Capital gains tax

	2023/24	2022/23	Note
Annual exemption			
Individuals	£6,000	£12,300	A
Trusts	£3,000	£6,150	B, C
Business asset disposal relief lifetime allowance	£1m	£1m	
Investors' relief lifetime allowance	£10m	£10m	
Individuals and trusts			
Starting and basic rate taxpayers	10%	10%	D
Higher and additional rate taxpayers	20%	20%	D
Trusts and personal representatives	20%	20%	D
Rate where business asset disposal/investors' relief applies	10%	10%	

- A. Reducing to £3,000 from 6 April 2024.
- B. Reducing to £1,500 from 6 April 2024.
- C. Exempt amount subject to related trusts rules.
- D. Gains on carried interest and chargeable residential property – 8% surcharge.

Non UK residents subject to capital gains tax (or corporation tax for companies) on sale of UK property and certain disposals of interests in UK property rich entities.

Certain disposals of UK land and buildings by non UK residents and disposals of residential property by UK residents must be reported and the tax paid to HMRC within 60 days of sale.

Inheritance tax

	2023/24	2022/23	Note
Nil rate band (NRB) £1 - £325,000	0%	0%	A
Over £325,000	40%	40%	B, C
Main exemptions			
		Gifts on marriage or civil partnership	
Annual gifts per donor	£3,000	Parent	£5,000
Small gifts per donee	£250	Grandparent/remoter ancestor	£2,500
Normal expenditure out of income	Exempt	Other	£1,000

- A. Additional residence nil rate band (RNRB) of £175,000 for transfers of a main residence to direct descendants. NRB and RNRB for estate of surviving spouse are increased by unutilised percentage of NRB and RNRB of predeceased spouse. RNRB tapers away for estates over £2m.
- B. Some lifetime gifts are taxed at 20%.
- C. Tax rate reduced to 36% where 10% or more of net chargeable estate is left to charity.

Non domiciled remittance basis users

	2023/24	2022/23
Personal allowance	Nil	Nil
Capital gains tax annual exemption	Nil	Nil
Remittance basis charge		
Unremitted income and gains less than £2,000	Nil	Nil
Resident in at least 7 of the previous 9 tax years	£30,000	£30,000
Resident in at least 12 of the previous 14 tax years	£60,000	£60,000

Certain returning former UK domiciled individuals, and non domiciled individuals who have been resident in the UK in at least 15 of the previous 20 tax years, are treated as if UK domiciled for income tax, capital gains tax and inheritance tax purposes.

National Insurance contributions

Class 1				Note
Employer	Rate payable	Employee	Rate payable	
Earnings per week		Earnings per week		
£0.01 - £175.00	Nil	£0.01 - £242.00	Nil	
Over £175.00	13.8%	£242.01 - £967.00	12%	A
		Over £967.00	2%	
Class 1A and 1B (employers only)	13.8%			
Class 2 (self employed)	£3.45 per week (for individuals with profits above lower profits limit £12,570)			B
Class 3 (voluntary)	£17.45 per week			
Class 4 (self-employed)	Profits up to £12,570		Nil	
	Profits from £12,571 to £50,270		9%	C
	Profits above £50,270 per annum		2%	

The first £5,000 of employer's liability relieved by the employment allowance for employers with a NICs bill of less than £100,000.

No employers NICs for employees aged under 21, apprentices up to age 25 and veterans on earnings up to £967 per week (the upper earnings limit), or for the first three years of employment for certain employees in freeport tax sites and investment zones on earnings up to £481 per week (the freeport and investment zone upper secondary thresholds).

A. 10% from 6 January 2024.

Apprenticeship levy at 0.5% payable on annual pay bills in excess of £3m, net of £15,000 annual allowance.

A. Reduced to 10% from 6 January 2024. 11.5% on earnings of company directors at any time during the 2023/24 tax year.

B. Voluntary from 6 April 2024.

C. Reduced to 8% from 6 April 2024.

Individual savings accounts

Maximum annual investment	2023/24	2022/23
Cash and shares combined limit	£20,000	£20,000
Lifetime ISA	£4,000	£4,000
Junior ISA	£9,000	£9,000

Help to buy ISA scheme closed to new accounts from 30 November 2019. Deposits of up to £200 per month eligible for existing accounts.

The lifetime ISA allowance counts towards the maximum cash and shares combined ISA limit.

Tax efficient savings and investments

Maximum annual investment	2023/24	2022/23	Note
Seed enterprise investment scheme (SEIS)	£200,000	£100,000	A, E
Venture capital trusts (VCTs)	£200,000	£200,000	B
Enterprise investment scheme (EIS)	£1m	£1m	B, C, D
Social investment tax relief	£1m	£1m	B

A. Income tax relief at 50%.

B. Income tax relief at 30%.

C. Up to £2m for 'knowledge-intensive' companies.

D. Capital gains tax deferral on gains reinvested in EIS qualifying investments.

E. Capital gains tax exemption on 50% of gains reinvested in SEIS qualifying investments.

Stamp duty

	Rate
Consideration on shares and certain marketable options to acquire shares over £1,000	0.5%

Property stamp taxes

Residential acquisitions	England & NI	Scotland	Wales
Price/premium payable	SDLT	LBTT	LTT
£1 - £145,000	Nil	Nil	Nil
£145,001 - £225,000	Nil	2%	Nil
£225,001 - £250,000	Nil	2%	6%
£250,001 - £325,000	5%	5%	6%
£325,001 - £400,000	5%	10%	6%
£400,001 - £750,000	5%	10%	7.5%
£750,001 - £925,000	5%	12%	10%
£925,001 - £1.5m	10%	12%	10%
Over £1.5m	12%	12%	12%

From 1 April 2025, a 2% SDLT rate band applies to consideration for residential properties between £125,001 and £250,000.

First-time buyers are exempt from SDLT on the first £425,000 of purchases up to £625,000 (the first £300,000 of purchases up to £500,000 after 31 March 2025). First-time buyers are exempt from LBTT on the first £175,000 of all purchases.

3% (SDLT) and 6% (LBTT) supplements apply to the above rates for second residential properties purchased by individuals and all purchases by corporates, discretionary and certain other trustees with chargeable consideration of £40,000 or more. Separate enhanced LTT rates and bands apply for such second residential property purchases, as follows: Up to £180,000 – 4%; £180,001 to £250,000 – 7.5%; £250,001 to £400,000 – 9%; £400,001 to £750,000 – 11.5%; £750,001 to £1.5m – 14%; and, above £1.5m – 16%.

A 2% SDLT surcharge applies on residential properties acquired by non UK residents.

A 15% flat rate of SDLT applies to non natural persons purchasing residential properties (enveloped properties) for more than £500,000 unless relief is available.

Residential lease rentals

England and Northern Ireland – 1% on present value of rents above £250,000 (£125,000 after 31 March 2025), generally exempt in Scotland and nil in Wales.

A 2% SDLT surcharge applies on the chargeable net present value of residential lease rentals payable by non UK residents.

Non-residential/mixed use acquisitions	England & NI	Scotland	Wales
Price/premium payable	SDLT	LBTT	LTT
£0 - £150,000	Nil	Nil	Nil
£150,001 - £225,000	2%	1%	Nil
£225,001 - £250,000	2%	1%	1%
£250,001 - £1m	5%	5%	5%
Over £1m	5%	5%	6%

Qualifying purchases in freeport tax sites are eligible for full relief from SDLT.

Non residential/mixed leases

England and Northern Ireland – 1% on present value of rents £150,001 to £5m, 2% above £5m.

Scotland – 1% on present value of rents £150,001 to £2m, 2% above £2m. No nil rate band in respect of lease premium if rent exceeds £1,000 per month.

Wales – 1% on present value of rents £225,001 to £2m, 2% above £2m. No nil rate band in respect of lease premium if rent exceeds £13,500 per year.

Annual tax on enveloped dwellings

Residential property value	2023/24	2022/23
£500,001 - £1m	£4,150	£3,800
£1m - £2m	£8,450	£7,700
£2m - £5m	£28,650	£26,050
£5m - £10m	£67,050	£60,900
£10m - £20m	£134,550	£122,250
Over £20m	£269,450	£244,750

Valuation date is 1 April 2022 (2022/23: 1 April 2017), with the valuation date replaced by the date of acquisition or material part-disposal, if later.

Corporation tax and diverted profits tax

	2023/24	2022/23	Note
Corporation tax			
Main rate	25%	19%	A, C
Small profits rate	19%	N/A	B, C
Loans to participators	33.75%	33.75%	
Restitution interest payments corporation tax rate	45%	45%	D
Diverted profits tax	31%	25%	E
Ring fence corporation tax			
Main rate	30%	30%	C, F, G
Small profits rate	19%	19%	C, F, H
Supplementary charge	10%	10%	F

- A. Applies to taxable profits exceeding £250,000 and certain investment company profits beneath £250,000, with thresholds reduced for associated companies (2022/23: All taxable profits).
- B. Applies for profits up to £50,000 except certain investment company profits, with thresholds reduced for associated companies.
- C. Marginal relief applies for profits between £50,000 and £250,000, with thresholds reduced for associated companies (2022/23: N/A).
- D. Withheld at source.
- E. Applies to profits of large entities diverted from the UK as a result of an avoided permanent establishment or transactions that lack economic substance (55% for such profits of entities subject to ring fence corporation tax).
- F. Applies to adjusted taxable 'ring fence' profits arising from UK oil extraction activities or activities relating to the acquisition, enjoyment or exploitation of UK oil rights.
- G. Applies to taxable 'ring fence' profits exceeding £250,000 (2022/23: £1.5m) with thresholds reduced for associated companies (2022/23: 51% group companies).
- H. Applies to taxable 'ring fence' profits up to £50,000 (2022/23: £300,000), with thresholds reduced for associated companies (2022/23: 51% group companies).

Residential property developer tax

	Rate
Profits over £25m	4%

Applies to relevant company profits derived from UK residential property development.

Energy profits levy and electricity generator levy

	2023/24	2022/23	Note
Energy profits levy	35%	35%	A
Electricity generator levy	45%	45%	B

- A. Applies from 26 May 2022 to 31 March 2028 on relevant UK profits (after an investment allowance) of oil and gas production and exploration companies (Prior to 1 January 2023: 25%).
- B. Applies from 1 January 2023 to 31 March 2028 on relevant UK profits exceeding £10m of certain electricity generation companies.

Bank corporation tax surcharge

	2023/24	2022/23
Rate	3%	8%
Surcharge allowance	£100m	£25m

Applies to relevant profits of banking companies and building societies above the surcharge allowance.

Global minimum tax – multinational and domestic top-up tax

For accounting periods beginning on or after 31 December 2023, groups of companies and other entities (including single entity groups) with worldwide turnover of €750m or more are required to pay a top-up tax to achieve an effective tax rate of at least 15% in respect of relevant taxable profits generated in each territory in which they operate. UK domestic top-up tax is payable where the effective tax rate on UK operations is below 15%, and multinational top-up tax will apply where top-up tax is not collected by another relevant jurisdiction for subsidiaries or non-UK permanent establishments of UK entities.

Patent box

	2023/24	2022/23
Corporation tax rate on qualifying profits	10%	10%

Research and development tax relief

	2023/24	2022/23	Note
SME enhanced deduction scheme	86%	130%	A
SME payable cash credit for R&D losses surrendered	10%	14.5%	B, C
Large company R&D expenditure credit	20%	13%	D

- A. Additional tax deduction available for qualifying R&D expenditure.
 B. Payable R&D tax credit in any tax year in excess of £20,000 is restricted to three times the total relevant PAYE income tax and NICs liability for the year.
 C. R&D intensive loss-making SMEs eligible for 14.5% payable credit from 1 April 2023. R&D intensive companies are defined as those with R&D expenditure of at least 40% of total tax deductible expenditure from 1 April 2023, and those with R&D expenditure of at least 30% of total tax deductible expenditure for accounting periods beginning on or after 1 April 2024.
 D. Taxable credit available on qualifying R&D expenditure.

Land remediation tax relief

	2023/24	2022/23
Additional tax deduction	50%	50%
Payable cash credit for land remediation loss surrendered	16%	16%

Creative sector tax reliefs

Payable credit rates	2023/24	2022/23	Note
Film tax relief	25%	25%	A, B
High-end TV, children's TV and animation tax relief	25%	25%	A, B
Video games tax relief	25%	25%	A, B
Theatre tax relief	50%	50%	A, C, D
Orchestra tax relief	50%	50%	A, C
Museums and galleries exhibition tax relief	50%	50%	A, D, E

- A. Eligible expenditure qualifies for enhanced deductions. Rates quoted refer to payable tax credits for any resulting losses surrendered.
 B. From 1 January 2024, new film, TV and video games expenditure credit tax reliefs are available on eligible expenditure instead of enhanced deductions, at a rate of 34% (39% for children's TV and animations). Enhanced deductions regime to be phased out by 31 March 2027.
 C. Rate scheduled to reduce to 35% from 1 April 2025 and 25% from 1 April 2026.
 D. Payable credits reduced by 5% for non-touring productions.
 E. Rate scheduled to reduce to 35% from 1 April 2025, with relief to end on 31 March 2026.

Capital allowances

	2023/24	2022/23	Note
Plant and machinery			
Annual investment allowance	£1m	£1m	A
Long life assets and integral features	50%/6%	50%/6%	B
Other plant and machinery	100%/18%	130%/18%	C
First year allowances	100%	100%	D
Cars: CO₂ emissions (g/km)			
0	100%	100%	E
1 to 50	18%	18%	F
Over 50	6%	6%	F
Structures and buildings			
Structures and buildings allowance	3%	3%	G
Enhanced structures and buildings allowance	10%	10%	H

- A.** 100% annual investment allowance on plant and machinery expenditure of up to £1m per year, shared with connected entities in certain circumstances.
- B.** Corporation tax: first year allowance of 50% on cost of most new plant and machinery that ordinarily qualifies for special rate writing down allowances, 6% reducing balance basis allowance per year thereafter and for other special rate pool assets. Income tax: 6% reducing balance basis allowance per year.
- C.** Corporation tax: 100% 'full expensing' first year allowance (2022/23: 130% 'super-deduction') on cost of most new plant and machinery that ordinarily qualifies for 'main pool' writing down allowances, 18% reducing balance basis allowance per year for other main pool assets. Income tax: 18% reducing balance basis allowance per year.
- D.** Available for: research and development (no time limit); brand new low emission cars and gas refuelling stations until 31 March 2025; zero-emission goods vehicles until 31 March 2025/5 April 2025; electric vehicle charge points until 31 March 2025/5 April 2025; enterprise zone (assisted areas) until designated dates between 31 March 2021 and 16 March 2024 (companies only); and, qualifying assets in freeport and investment zone sites brought into use on or after the site becomes a designated freeport/investment zone and incurred before the applicable sunset date (companies only).
- E.** New and unused cars only. Allowances for second hand cars are 18% reducing balance.
- F.** Reducing balance basis.
- G.** Expenditure on non residential structures and buildings.
- H.** Available for structures and buildings in freeport and investment zone sites for contracts entered into on or after the site becomes a designated freeport/investment zone and before the applicable sunset date.

Value added tax

	2023/24	2022/23	Note
Standard rate	20%	20%	
Reduced rate	5%	5%	
Annual turnover threshold for registration	£85,000	£85,000	A
Annual turnover limit for deregistration	£83,000	£83,000	B
Annual cash accounting upper limit	£1,350,000	£1,350,000	C
EC sales list reporting threshold	Nil	Nil	D
Intrastat reporting			
Arrivals threshold	£500,000	£500,000	E
Dispatches threshold	£250,000	£250,000	E

- A.** Taxable turnover is measured by reference to the last 12 months or next 30 days.
- B.** Taxable turnover is measured by reference to the next 12 months.
- C.** This limit applies to businesses joining the scheme. Those already in the scheme can remain in the scheme until their turnover reaches £1.6m.
- D.** EC sales lists are required for goods supplied from Northern Ireland to EU VAT registered customers. Simplified annual EC sales lists can be used where: annual taxable turnover does not exceed £110,500; goods supplied annually from Northern Ireland to EU VAT registered customers do not exceed £11,000; and, sales do not include new means of transport.
- E.** Intrastat declarations are only required for goods moving between Northern Ireland and the EU and not for goods moving between Great Britain and the EU or Northern Ireland.

Digital services tax

The UK related revenue exceeding £25m per year of activities comprising search engines, social media platforms and online marketplaces is chargeable at 2% on certain digital businesses with global in scope annual revenues exceeding £500m.

Authorised mileage rates

		Per mile
Private cars and vans	First 10,000 miles in the tax year	45p
	Additional miles	25p
	Each qualifying passenger	5p
Motor cycles		24p
Cycles		20p

The authorised mileage rates for private cars and vans above are for income tax purposes only. The authorised rate for NICs purposes is 45p per mile regardless of annual mileage.

Car and fuel scale benefits

				Note
Car benefit		Percentage (see below) of list price		
Fuel benefit - cars		£27,800		
Van benefit		£3,960		
Fuel benefit - vans		£757		
CO ₂ emissions (g/km):	Electric range (miles)	Diesel	Other fuel	
Nil			2%	A
1 - 50	130 or more	6%	2%	A
1 - 50	70 - 129	9%	5%	A
1 - 50	40 - 69	12%	8%	A
1 - 50	30 - 39	16%	12%	A
1 - 50	Less than 30	18%	14%	A
51 - 54		19%	15%	A
Each additional 5		Further 1%	Further 1%	A
Diesel 140 and over/Other fuel 160 and over		37%	37%	

- A. On 6 April 2025, 6 April 2026, and 6 April 2027, benefit charge percentages for most cars with CO₂ emissions below 75g/km will be increased by 1%, subject to a maximum of 5% for fully electric cars with zero CO₂ emissions, and 20% (2025/26) and 21% (2026/27 and 2027/28) for cars with CO₂ emissions below 75g/km. On 6 April 2025, benefit charge percentages for most cars with CO₂ emissions at or above 75g/km will be increased by 1% and then frozen in 2026/27 and 2027/28, subject to a maximum of 37%.

Diesel vehicles meeting the RDE2 standard are exempt from diesel supplement and the above other fuel rates apply for such vehicles.

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