

INCOME TAX – RATES AND BANDS

England and Northern Ireland Tax Rates and Bands	2025/26	2024/25
	£	£
Starting rate of 0% saving income up to	1 - 5,000	1 - 5,000
Basic rate	1,000	500
Higher rate	500	500
Tax rates	%	%
Basic rate	20	20
Higher rate	40	40
Additional rate	45	45
Trust	45	45

Tax Thresholds	£	£
Basic rate band	1 - 37,700	1 - 37,700
Higher rate band	37,701 - 125,140	37,701 - 125,140
Additional rate band	Over 125,140	Over 125,140

Scotland Tax Rates and Bands	2025/26	2024/25
Scottish Tax rates		
Starter rate	19%	19%
Basic rate	20%	20%
Intermediate rate	21%	21%
Higher rate	42%	42%
Advanced rate	45%	45%
Top rate	48%	48%

Scottish Tax Thresholds	£	£
Starter rate	0 - 2,827	0 - 2,306
Basic rate	2,828 - 14,921	2,307 - 13,991
Intermediate rate	14,922 - 31,092	13,992 - 31,092
Higher rate	31,093 - 62,430	31,093 - 62,430
Advanced rate	62,431 - 125,140	62,431 - 125,140
Top rate	Over 125,140	Over 125,140

DEVOLVED INCOME TAX

Wales Tax Rates and Bands	2025/26	2024/25
Welsh Tax rates		
Basic rate band	20%	20%
Higher rate band	40%	40%
Additional rate band	45%	45%

Welsh Tax Thresholds	£	£
Basic rate band	0 - 37,700	0 - 37,700
Higher rate band	37,701 - 125,140	37,701 - 125,140
Additional rate band	Over 125,140	Over 125,140

Dividend tax rates and bands	2025/26	2024/25
Basic rate Below £37,700/£37,700	8.75%	8.75%
Higher rate £37,701/£125,140	33.75%	33.75%
Over 125,140	39.35%	39.35%
Dividend trust 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
Married couple's allowance Age 75 or over	11,270	11,080
Maximum amount of allowance	4,360	4,280
Income limit allowance for those born before 6 April 1948	37,700	37,000
Blind person's allowance	3,130	3,070
Dividend allowance at 0% tax - all individuals	500	500
Transferable allowance for married couples and civil partners	1,260	1,260

National Insurance Contributions	2025/26	2024/25
	£	£
Class 1 primary contribution (employee)		
Lower earnings limit (LEL)	125 weekly	123 weekly
Primary threshold	242 weekly	242 weekly
Upper earnings limit (UEL)	967 weekly	967 weekly
Rate on earnings up to primary threshold	0%	0%
Employees' primary Class 1 rate between primary threshold and upper earnings limit	8%	12%
Employees' primary Class 1 rate above Upper earnings limit	2%	2%

Class 1 secondary contribution (employer)	2025/26	2024/25
	£	£
Secondary earnings threshold (ST)	96 Weekly	175 weekly
Employers' secondary Class 1 rate above secondary threshold	15%	13.80%

Class 1A and 1B on employer provided benefit	15%	13.80%
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Class 2 Self Employed

	2025/26	2024/25
	£	£
Small earnings exemption limit (annual)	6,845	6,725
Weekly rate	3.65	3.45

Class 3 Voluntary contributions

	2025/26	2024/25
	£	£
Weekly rate	17.75	17.45

Class 4 Self Employed

	2025/26	2024/25
	£	£
Annual earnings limit		
Lower	12,570	12,570
Upper	50,270	50,270
Rate	6%	6%
Over £50,270/£50,270	2%	2%

Employment allowance

	2025/26	2024/25
	£	£
Employment allowance	10,500	
Employment allowance £5,000 per year per employer (Employer's NIC liability does not exceed £100,000)		5,000

Child Benefits

	2025/26	2024/25
	£	£
First child (per week)	26.05	25.60
Each additional child (per week)	17.25	15.90

Taxation for companies

Financial year

Corporation tax

	2025/26	2024/25
Profits below £50,000	19%	19%
Profit between £50,000 to £250,000	26.50%	26.50%
Profits over £250,000	25%	25%
Marginal relief fraction	3/200	3/200
Corporation tax on loan to participators	33.75%	33.75%

Taxation of Capital Gains

Capital gain tax rates	2025/26	2024/25
Individual Standard rate	18%	10%
Higher rate	24%	20%
Trusts and Estates	24%	20%
Gains on residential property	18%/24%	18%/24%
Gains on carried interest	32%	18%/28%

Exemptions and reliefs	2025/26	2024/25
	£	£
Annual exemption	3,000	3,000
Other trustees	1,500	1,500
Chattel exemption (Maximum sale proceeds)	6,000	6,000

Capital gain tax entrepreneurs' relief	2025/26	2024/25
	£	£
Business assets disposal relief lifetime limit	1,000,000	1,000,000
Business assets disposal relief	14%	10%

Inheritance Tax	2025/26	2024/25
	£	£
Nil-rate band	325,000	325,000
Residence nil-rate band	175,000	175,000
Rate of tax on excess	40%	40%
Reduced rate (For estate giving 10% or more to charity)	36%	36%
Chargeable lifetime transfers	20%	20%
Annual exemption	3,000	3,000
Small gift exemption	250	250
Gift on marriage or civil partnerships		
Parent (each)	5,000	5,000
Grandparents/remote ancestor and spouse	2,500	2,500
Others	1,000	1,000

Value Added Tax (VAT)	2025/26	2024/25
Standard rate	20%	20%
Reduce rate	5%	5%

VAT fraction	1/6	1/6
	£	£
Registration limit (from 1 April 2024)	90,000	90,000
De-registration limit (from 1 April 2024)	88,000	88,000
Annual accounting scheme turnover limit	1,350,000	13,500,000
Cash accounting scheme turnover limit	1,350,000	13,500,000
Flat rate Scheme turnover limit	150,000	150,000

Capital allowances	2025/26	2024/25
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Writing down allowances

General pool	18%	18%
Special rate pool	6%	6%
New cars (with CO2 emissions 0g/km)	100%	100%
Cars (with CO2 emissions 50g/km or below)	18%	18%
Cars (with CO2 emissions over 50g/km)	6%	6%
New electric vans	100%	100%

Structures and buildings (Straight line basis)

Writing down allowance	3%	3%
Enhanced structure and buildings allowance	10%	10%

Companies only

First year allowance (General pool)	100%	100%
First year allowance (Special pool)	50%	50%

Car and Van Benefit	2025/26	2024/25
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	£	£
Car fuel benefit	28,200	27,800
Van benefit	4,020	3,960
Van fuel benefit	769	757

Tax free mileage allowance	2025/26	2024/25
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	£	£
Car 10,000 business miles	45p	45p
Over 10,000 business miles	25p	25p
Motorcycle	24p	24p
Cycle	20p	20p

First year allowance

100% deduction on certain plant & machinery and cars of 0g/km

Annual investment allowance	1,000,000	1,000,000
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Registered Pension Scheme

	2025/26	2024/25
	£	£
Annual allowance	60,000	60,000
Threshold Income limit	200,000	200,000
Adjusted income limit	260,000	260,000
Minimum where income exceeds limit	10,000	10,000
Lump sum allowance	268,275	No LA charge
Death benefit limit	1,073,100	

Maximum tax relief contribution, higher of:

- 100% of taxable UK earnings
- £3,600 (where the scheme applies tax relief at source).

Unused annual allowance can be carried forward to 3 years.

Individual Savings Accounts

	2025/26	2024/25
	£	£
Individual Savings Account (ISA)	20,000	20,000
Junior ISA annual limit	9,000	9,000
Child Trust Fund Subscription limit	9,000	9,000
Lifetime ISA annual limit	4,000	4,000
Help to Buy ISA monthly limit	200	200

Investment Reliefs

	2025/26	2024/25
	£	£
Enterprise Investment Scheme (EIS) at 30%	1,000,000	1,000,000
Venture Capital Trust (VCT) at 30%	200,000	200,000
Seed Enterprise Investment Scheme at 50%	200,000	200,000
Social Investment Relief at 30%		1,000,000

Research and Development Tax Credits

	2025/26	2024/25
SME rate	186%	186%
SME repayable credit	10%	10%
SME incentive repayable credit	14.5%	14.5%
RDEC scheme credit	20%	20%

Stamp Duty Land Tax (SDLT)

	2025/26
Shares and marketable securities over £1,000	0.5%

England and NI Residential Band

£0 to £125,000	0%
£125,001 to £250,000	2%
£250,001 to £925,000	5%
£925,001 to £1,500,000	10%
Over £1,500,000	12%

Scotland Residential Band**2025/26**

£0 to £145,000	0%
£145,001 to £250,000	2%
£250,001 to £325,000	5%
£325,001 to £750,000	10%
Over £750,000	12%

England and NI Non-Residential Band**2025/26**

0 to £150,000	0%
£150,001 to £250,000	2%
Over £250,000	5%

Scotland Non-Residential Band**2025/26**

0 to £150,000	0%
£150,001 to £250,000	3%
Over £250,000	4.5%