

TAX-FREE MILEAGE ALLOWANCES

Cars and vans	First 10,000 business miles p.a.	45p
	Thereafter	25p
Motorcycles		24p
Bicycles		20p
Business passenger		5p

Fuel only allowance for company cars

From 1 March 2023	Petrol	Diesel	LPG
Up to 1400cc*	13p	13p	10p
1401** - 2000cc	15p	15p	11p
Over 2000cc	23p	20p	17p

These rates are reviewed quarterly and therefore rates may change within the tax year. The latest rates can be found at:

<https://www.gov.uk/government/publications/advisory-fuel-rates>

*1600cc for diesel **1601cc for diesel

VEHICLE AND FUEL BENEFITS IN KIND (BIK)

The taxable BIK is calculated as a percentage of the car's UK list price. The percentage depends on the car's CO₂ emission in grams per kilometre (g/km).

Emissions	Electric Mileage Range	Petrol*
0g/km	n/a	2%
1-50g/km	Over 130 miles	2%
	70-129 miles	5%
	40-69 miles	8%
	30-39 miles	12%
	Under 30 miles	14%
51-54g/km	n/a	15%
Over 54g/km	n/a	Add 1% for every 5g/km
Maximum		37%

* Add 4% supplement for Diesel cars (up to a maximum of percentage of 37%) which do not meet the RDE2 standard.

Where the cost of all fuel for private use is borne by the employee, the fuel benefit is nil. Otherwise, the fuel benefit is calculated by applying the car benefit percentage (above) to £27,800 (2022/23 £25,300).

Vans where private use is more than home to work travel: £3,960 and £757 (2022/23 £3,600 and £688) for private fuel. Payments by employees for private use may reduce these BIKs.

VALUE ADDED TAX

From 1 April	2023	2022
Standard rate	20%	20%
VAT fraction	1/6	1/6

0% VAT on Energy Saving Materials from 1 April 2022.

Taxable turnover limits

Registration (last 12 months or next 30 days over)	£85,000	£85,000
Deregistration (next year under)	£83,000	£83,000
Annual and cash accounting schemes	£1,350,000	£1,350,000
Flat rate scheme	£150,000	£150,000

STAMP TAXES

Stamp duty is payable at a rate of 0.5% on transfers of shares and securities of £1,000 and over.

On the transfer of residential property		On the transfer of non-residential property	
£0 - £125,000	0%	£0 - £150,000	0%
£125,001 - £250,000	2%	£150,001 - £250,000	2%
£250,001 - £925,000	5%	£250,001 and over	5%
£925,001 - £1,500,000	10%		
£1,500,001 and over	12%		

3% surcharge for purchases of additional residential properties over £40,000.
15% for purchases by certain non-natural persons including corporate bodies over £500,000.

DUE DATES FOR TAX PAYMENTS

Income tax and Class 4 NIC	2023/24	2022/23
1st payment on account (31 January)	2024	2023
2nd payment on account (31 July)	2024	2023
Balancing payment (31 January)	2025	2024
Capital gains tax (31 January)*	2025	2024

Inheritance tax Normally six months after end of the month in which death occurs

* Tax payable on gains on the disposal of residential property is due within 60 days of completion from 27 October 2021.

Corporation Tax

Small and medium companies
Nine months and one day after the end of the accounting period.
Large companies

Four quarterly instalments commencing six and a half months into the accounting period. For accounting periods commencing on or after 1 April 2019, very large companies must pay their QIPs prior to the end of the accounting period. Please call Pierce for details.

RATES FOR 2023/24

The rates and allowances shown on this card are for information only. Always seek professional advice before acting. Rates correct as of 6 April 2023.

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Tax Facts 2023/2024

INCOME TAX BANDS AND RATES

	2023/24	2022/23
Savings rate band	£5,000	£5,000
Savings tax rate	0%	0%
Basic rate band*	£37,700	£37,700
Basic tax rate*	20%	20%
Dividend ordinary tax rate	8.75%	7.5%
Higher rate band*	£37,701 – £125,140	£37,701 – £150,000
Higher rate tax*	40%	40%
Dividend higher tax rate	33.75%	32.5%
Additional rate band	Over £125,140	Over £150,000
Additional tax rate*	45%	45%
Dividend additional tax rate	39.35%	39.35%

Personal Tax Allowances

Personal Allowance		£12,570	£12,570
Marriage Allowance**		£1,260	£1,260
Blind person's Allowance		£2,870	£2,600
Dividend Allowance***		£1,000	£2,000
Personal Savings Allowance	Basic rate taxpayer	£1,000	£1,000
	Higher rate taxpayer	£500	£500

The minimum Personal Allowance is reduced by £1 for each £2 of income from £100,000 to £125,140 (2022/23 £125,140).

* Scottish and Welsh residents may be subject to different tax bands and rates.

** Not available where recipient is liable to higher or additional tax rates.

*** The Dividend Allowance taxes the first £1,000 (2022/23 £2,000) of dividends received at 0% irrespective of which rate band the income falls in.

Allowances that reduce tax

Married Couple's Allowance (MCA) tax reduction	£1,037.50	£941.50
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Available to people born before 6 April 1935. The age for MCA is of the elder spouse or civil partner. The loss of tax reduction is 10p for each £2 of income above £31,400 (2022/23 £31,400) until the minimum of £401 (2022/23 £364) is reached.

HIGH INCOME CHILD BENEFIT CHARGE

	2023/24	2022/23
Arises on income over	£50,000	£50,000

There is a tax charge of 1% of the child benefit received for each £100 that taxable income exceeds £50,000 up to a maximum of 100%.

NATIONAL INSURANCE

Class 1 (not contracted out)

	Employer	Employee
Lower earnings limit	n/a	£123
On weekly earnings of £123.01 – £175	0%	0%
On weekly earnings of £175.01 – £242	13.8%	0%
On weekly earnings of £242.01 – £967	13.8%	12%
Over £967	13.8%	2%
Over state retirement age	13.8%	0%

Class 1A

On relevant benefits	13.8%	n/a
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Class 2

Self employed	£3.45 per week
Limit on net earnings for exception	£12,570* per annum

* From April 2023 no Class 2 NIC is payable if profits are less than £12,570 but will still be able to access entitlement to contributory benefits if profits over £6,725.

Class 3

Voluntary	£17.45 per week
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Class 4*

Self-employed on profits £11,908 – £50,270	9%
Above £50,270	2%

* Exemption applies if the state retirement age is reached by 6 April 2023.

PENSION CONTRIBUTIONS

Maximum annual tax efficient gross contributions to age	74
• Individuals	£3,600 or 100% of earnings to £60,000*
• Employers	£60,000* less employee contributions
Normal age for assessing benefits	55
Lifetime allowance charge	Abolished from 6 April 2023
Maximum tax-free lump sum	25% up to maximum of 268,275

* The annual contribution may be increased to include the unused amounts from the previous three years, subject to specific conditions. The £60,000 Annual Allowance is gradually reduced by £1 for every £2 the individual's income is in excess of £260,000.

** The Lifetime Allowance has been abolished from 6 April 2024 but the lifetime allowance charge has been removed from 6 April 2023.

INHERITANCE TAX

	2023/24	2022/23
Standard threshold	£325,000	£325,000
Combined threshold maximum for married couples and civil partners	£650,000	£650,000
Residence nil rate band *	£175,000	£175,000

* Only available to estates valued at under £2million.

Rates of tax on balance

Chargeable lifetime transfers	20%	20%
Reduced rate	36%	36%
Transfer on or within seven years of death	40%	40%

All lifetime transfers not covered by exemptions and made within seven years of death will be added back into the estate for the purposes of calculating the tax payable. This may be reduced as follows:

Years before death	0-3	3-4	4-5	5-6	6-7
Tax reduced by	0%	20%	40%	60%	80%

Main exemptions

- Most transfers between spouses and between civil partners.
- First £3,000 of lifetime transfers in any tax year plus any unused from the previous year.
- Gifts up to £250 p.a. to any number of persons.
- Gifts made out of income that form part of normal expenditure and do not reduce the standard of living.
- Gifts in consideration of marriage/civil partnership up to £5,000 by a parent, £2,500 by grandparents, or £1,000 by any other.
- Gifts to charities, whether made during lifetime or on death.

CAPITAL GAINS TAX

		2023/24	2022/23
Residential Property	Lower rate	18%	18%
	Higher rate	28%	28%
Other disposals	Lower rate	10%	10%
	Higher rate	20%	20%
Annual exemption	Individual	£6,000	£12,300
Entrepreneurs' Relief	Applicable rate	10%	10%
	Lifetime limit	£1m	£1m

INVESTMENT RELIEFS

Enterprise Investment Scheme	Limit	£1,000,000*
	Relief rate	30%
Venture Capital Trust	Limit	£200,000
	Relief rate	30%
Seed Enterprise Investment Scheme	Limit	£200,000
	Relief rate	50%

* Up to £2m for knowledge-intensive companies.

CORPORATION TAX

Financial year from 1 April	2023	2022
Small Profits Rate	19%	N/A
Main Rate	25%	19%
Small Profits Limit	£50,000	N/A
Marginal Relief Lower Limit	£50,000	N/A
Marginal Relief Upper Limit	£250,000	N/A
Marginal Relief Fraction	3/200	N/A

MAIN CAPITAL ALLOWANCES

Plant and machinery

First year allowance: for new and unused electric or zero emission cars, electric- vehicle charging points, zero emission goods vehicles. (Available until 31 March 2025.)	100%
Annual investment allowance: on first £1,000,000 investment excluding cars.	100%
Super Deduction: for companies purchasing new plant & machinery normally qualifying at the 18% main rate, excluding cars and assets for leasing. (Available from 1 April 2023 until 31 March 2026.)	100%
50% First Year Allowance: for companies purchasing new plant & machinery normally qualifying at the 6% special rate, excluding cars and assets for leasing. (Available from 1 April 2023 until 31 March 2026.)	50%

Writing down allowances

Other plant and machinery	18%	
Long life assets, integral features of buildings, thermal insulation	6%	
Structures and Buildings Allowance	3%	
Cars	1g/km – 50g/km	18%
	Over 50g/km	6%