INCOME TAX

Allowances

	2024/25	2023/24
Personal Allowance (PA)*	£12,570	£12,570
Marriage Allowance †	1,260	1,260
Blind Person's Allowance	3,070	2,870
Rent a room relief**	7,500	7,500
Trading Income**	1,000	1,000
Property Income**	1,000	1,000

* PA is withdrawn at £1 for every £2 by which 'adjusted income' exceeds £100,000. There is no allowance given above £125,140.
† The part of the PA that is transferable to a spouse or civil partner who is not a higher or additional rate taxpayer.
** if gross income exceeds this, the limit may be deducted instead of actual expenses.

Rate bands

	2024/25	2023/24
Basic Rate Band (BRB)	£37,700	£37,700
Higher Rate Band (HRB)	37,701 - 125,140	37,701 - 125,140
Additional rate	over 125,140	over 125,140
Personal Savings Allowance (PSA)		
Basic rate taxpayer	1,000	1,000
Higher rate taxpayer	500	500
Dividend Allowance (DA)	500	1,000

BRB and additional rate threshold are increased by personal pension contributions (up to permitted limit) and Gift Aid donations.

Tax rates

Rates differ for General/Savings/Dividend income

	2024/25				2023/24			
	G	S	D		G	S	D	
Basic Rate Band (BRB)	20	20	8.75		20	20	8.75	
Higher Rate Band (HRB)	40	40	33.75		40	40	33.75	
Additional rate	45	45	39.35		45	45	39.35	

General income (salary, pensions, business profits, rent) usually uses personal allowance, basic rate and higher rate bands before savings income (mainly interest). Scottish taxpayers are taxed at different rates on general income (see below). To the extent that it would otherwise be taxable at 20% or 40%, dividends are normally taxed as the 'top slice' of income. The DA taxes the first £500 (2023/24: £1,000) of dividend income at nil, rather than the rate that would otherwise apply.

Savings and dividend income are taxed at normal UK rates.

Income tax - Scotland

	2024/25		2023/24
Starter rate	19% (19%)	£2,306	£2,162
Basic rate	20% (20%)	2,307 - 13,991	2,163 - 13,118
Intermediate rate	21% (21%)	13,992 - 31,092	13,119 - 31,092
Higher rate	42% (42%)	31,093 - 62,430	31,093 - 125,140
Advanced rate	45% (N/A)	62,431 - 125,140	N/A
Top rate	48% (47%)	over 125,140	125,140

High Income Child Benefit Charge (HICBC)

1% of child benefit for each £200 (2023/24: £100) of adjusted net income between £60,000 and £80,000 (2023/24: £50,000 and £60,000).

VEHICLE BENEFITS

Cars: Taxable benefit: List price of car multiplied by chargeable percentage.

CO_2 g/km	ELECTRIC RANGE MILES	2024/25 & 2023/24 %
0	N/A	2
1 - 50	> 130	2
1 - 50	70 - 129	5
1 - 50	40 - 69	8
1 - 50	30 - 39	12
1 - 50	< 30	14
51 - 54	N/A	15

Then a further 1% for each 5g/km CO_2 emissions, up to a maximum of 37%.
Diesel cars that are not RDE2 standard suffer a 4% supplement on the above figures but are still capped at 37%.

Vans: Chargeable value of £3,960 (2023/24: £3,960) if private use is more than home-to-work. Zero-emission vans charged at £Nil (2023/24: £<<L245>>).

Fuel
Employer provides fuel for private motoring in an employer-owned:

Car: CO2-based percentage from above table multiplied by £27,800 (2023/24: £27,800).

Van: £757 (2023/24: £<<L245>>).

Employee contributions do not reduce taxable figure unless all private fuel is paid for by the employee (in which case there is no benefit charge).

TAX-FREE MILEAGE ALLOWANCES

Employee's own transport	Per business mile
Cars first 10,000 miles	45p
Cars over 10,000 miles	25p
Business passengers	5p
Motorcycles	24p
Bicycles	20p

CAPITAL GAINS TAX

Annual exempt amount	2024/25	2023/24
Individuals, estates	£3,000	£6,000
Most trusts	1,500	3,000
Tax rate		
Individual up to Basic Rate Limit (BRL)		
Residential property and carried interest	18%	18%
Other assets	10%	10%
Individual above BRL, trusts and estates		
Residential property	24%	28%
Carried interest	28%	28%
Other assets	20%	20%
Business Asset Disposal Relief (BADR)*	10%	10%

*BADR is available on qualifying gains up to a lifetime limit of £1 million.

Corporation Tax

Year to	31.3.2025	31.3.2024
Main rate (profits above £250,000) 25%	25%	25%
Small profits rate (profits up to £50,000)	19%	19%
Marginal relief band (MRB)	£50k - £250k	£50k - £250k
Fraction in MRB (effective marginal rate)	3/200 (26.5%)	3/200 (26.5%)

Research and development relief

Accounting periods beginning on or after	1.4.2024
R&D Expenditure Credit (RDEC) scheme*	20%
R&D-intensive SMEs enhanced expenditure scheme**	86%

* Taxable expenditure credit for qualifying R&D.
** Additional deduction for qualifying R&D.
R&D - intensive companies are those that have R&D expenditure constituting at least 30% of total tax-deductible P&L expenses plus capitalised R&D costs. Loss-making R&D - intensive companies can claim a payable credit rate of 14.5% from HMRC in exchange for their losses (capped at £20,000 plus 3 x [PAYE & NIC]).
Previously, most SMEs used the enhanced expenditure scheme, but with a payable tax credit rate for losses of 10% (or 14.5%, from 1 April 2023, for those with R&D expenditure constituting at least 40% of total expenditure).

MAIN CAPITAL ALLOWANCES

Plant and machinery allowances	Year to 31.3.25	Year to 31.3.24
Companies only		
First-year allowance (main pool)	100%	100%
First-year allowance (special rate pool	50%	50%
Annual Investment Allowance (AIA)		
Expenditure of up to £1m	100%	100%
New electric vans	100%	100%
Writing down allowance: main pool	18%	18%
Writing down allowance: special rate pool	100%	100%

Motor cars purchased	From 1.4.21 CO2 (g/km)	Allowance
New cars only	Nil	100%
In general pool	up to 50	18%
In special rate pool	above 50	6%

Structures and buildings allowance	
Fixed deduction per annum	3%

PROPERTY TAXES

Annual Tax on Enveloped Dwellings (ATED)

ATED applies to 'high value' residential properties owned via a corporate structure, unless the property is used for a qualifying purpose. The tax applies to properties valued at more than £500,000.

Property value	Annual charge to	
	31.3.2025	31.3.2024
£0.5m – £1m	£4,400	£4,150
£1m – £2m	9,000	8,450
£2m – £5m	30,550	28,650
£5m – £10m	71,500	67,050
£10m – £20m	143,550	134,550
Over £20m	287,500	269,450

NATIONAL INSURANCE CONTRIBUTIONS

Class 1 (Employees)	Employee	EMPLOYER
Main NIC rate	8%	13.8%
NI NIC on first	£242pw	£175pw
Main rate charged de to*	£967pw	no limit
% rate on earnings above	£967pw	N/A
Employment allowance per business**	N/A	£5,000

* NI rate for employer NIC on earnings up to £967 per week for employees aged under 21, apprentices aged under 25 ex-armed forces personnel in their first twelve months of civilian employment.
** Some businesses do not qualify, including certain sole director companies and employers who have an employer's Class 1 NIC liability of £100,000 or more for 2023/24.
Employer contributions (at 13.8%) are also due on most taxable benefits (Class 1A) and on tax paid on an employee's behalf under a PAYE settlement agreement (Class 1B).

Class 2 (Self-employed)	£3.45
Flat rate per week if profits below £6,725 (voluntary)	
Class 3 (Voluntary)	
Class 3: Flat rate per week	£17.45
Class 4 (Self-employed)	
On profits between £12,570 and £50,270	6%
On profits over £50,270	2%

Employees with earnings above £123 per week and the self-employed with annual profits over £6,725 (or who pay voluntary Class 2 contributions) can access settlement to contributory benefits.

ANNUAL INVESTMENT LIMITS

Personal Savings Allowance (PSA)	2024/25	2023/24
Overall limit	£20,000	£20,000
Lifetime ISA	4,000	4,000
Junior ISA	9,000	9,000
EIS – 30% relief	2,000,000	2,000,000
Seed EIS (SEIS) – 50% relief	200,000	200,000
Venture Capital Trust (VCT) – 30% relief	200,000	200,000

PENSIONS

Registered Pensions	2024/25	2023/24
Annual Allowance (AA)*	£60,000	£60,000

*Annual relievable pension inputs are the higher of earnings (capped at AA) or £3,600. "Usually tapered down, to a minimum of £10,000, when adjusted income exceeds £260,000. The maximum tax-free pension lump sum is £268,275, unless a higher amount is 'protected'.

State pension (per week)	2024/25	2023/24
Old state pension	£169.50	£156.20
New state pension	£221.20	£203.85

Remittance basis charge	2024/25	2023/24
For non-UK domiciled individuals who have been UK resident in at least:		
7 of the preceding 9 tax years	£30,000	£30,000
12 of the preceding 14 tax years	60,000	60,000
15 of the preceding 20 tax years	Deemed to be UK domiciled	

STAMP DUTY LAND TAX (SDLT), LAND AND BUILDINGS TRANSACTION TAX (LBTT) AND LAND TRANSACTION TAX (LTT)

Residential property (1st property only)

SDLT - England & NI		LBTT - Scotland		LTT - Wales	
£000	Rate	£000	Rate	£000	Rate
Up to 250	Nil	Up to 145	Nil	Up to 225	Nil
250 – 925	5%	145 – 250	2%	225 - 400	6.0%
925 – 1,500	10%	250 – 325	5%	400 - 750	7.5%
Over 1,500	12%	325 – 750	10%	750 - 1,500	10.0%
		Over 750	12%	Over 1,500	12.0%

A supplement applies for all three taxes where an additional residential property interest is purchased for more than £40,000 (unless replacing a main residence).
It is also payable by all corporate purchasers. The rate is 3% (SDLT), and 6% (LBTT) of the total purchase price. LTT has specific higher rates in bandings: up to 180k: 4%, 180 - 250k: 7.5%, 250 - 400k: 9%, 400 - 750k: 11.5%, 750-1,500k: 14%, >1,500k: 16%. For SDLT:
– First-time buyers purchasing a property of up to £625,000 pay a nil rate on the first £425,000 of the purchase price.
– A 2% supplement applies where the property is bought by certain non-UK residents.
– A rate of 15% may apply to the total purchase price, where the property is valued above £500,000 and purchased by a 'non-natural person' (e.g. a company).
For LBTT, first-time buyer relief increases the nil rate band to £175,000.

Non-residential or mixed use property

SDLT - England & NI		LBTT - Scotland		LTT - Wales	
£000	Rate	£000	Rate	£000	Rate
Up to 150	Nil	Up to 150	Nil	Up to 225	Nil
150 – 250	2%	150 – 250	1%	225 - 250	1%
Over 250	5%	Over 250	5%	250 - 1,000	5%
				Over 1,000	6%

VALUE ADDED TAX

Standard rate (1/6 of VAT-inclusive price)		20%
	From 1.4.2024	PRE 1.4.2024
Registration level - Taxable turnover	£90,000 p.a.	£85,000 p.a.
Deregistration level - Taxable turnover	88,000 p.a.	83,000 p.a.

Flat Rate Scheme (FRS)

Fixed deduction per annum	Up to £150,000
Must leave scheme if annual gross turnover	Exceeds £230,000

If using FRS, the VAT paid by the business is a fixed percentage (based on business category) of 'FRS turnover' rather than the net of output tax over input tax. Input tax is usually not recoverable.

Cash accounting and Annual accounting schemes

Annual taxable turnover to enter scheme	Up to £1.35m
Must leave scheme if annual taxable turnover	Exceeds £1.60m

INHERITANCE TAX

	2024/25	2023/24
Nil rate band (NRB)*	£325,000	£325,000
NRB Residential enhancement (RNRB)†	175,000	175,000
Tax rate on death**	40%	40%
Tax rate on lifetime transfers to most trusts	20%	20%

* Up to 100% of the proportion of a deceased spouse's/civil partner's unused NRB and RNRB band may be claimed to increment the current NRB and RNRB when the survivor dies.
† RNRB is available for transfers on death of a main residence to (broadly) direct descendants.
It tapers away at the rate of £1 for every £2 of estate value above £2m.
** Rate reduced to 36% if at least 10% of the relevant estate is left to charity. Unlimited exemption for transfers between spouses/civil partners, except if UK domiciled transferor and foreign domiciled transferee, where maximum exemption is £325,000.
100% Business Property Relief (BPR) for all shareholdings in qualifying unquoted trading companies, qualifying unincorporated trading businesses and certain farmland/buildings.

Reduced tax charge on gifts within 7 years before death

Years before death	0 - 3	3 - 4	4 - 5	5 - 6	6 - 7
% of full death tax charge payable	100	80	60	40	20

Annual exemptions for lifetime gifts include £3,000 per donor and £250 per recipient.

KEY DATES AND DEADLINES

Payment dates

Self assessment		2024/25	2023/24
1st payment on account	31 January	2025	2024
2nd payment on account	31 July	2025	2024
Balancing payment	31 January	2026	2025
Capital Gains Tax*	31 January	2026	2025
Other payment dates			
Class 1A NIC	19 July	2025	2024
Class 1B NIC	19 October	2025	2024

Corporation tax is due 9 months and 1 day from the end of the accounting period, unless a 'large' company paying by quarterly instalments.

2023/24 Filing deadlines

Issue P60s to employees	31 May	2024
P11D, P11D(b)	6 July	2024
Self Assessment Tax Return (SATR) paper version	31 October	2024
Online SATR if outstanding tax to be included in 2025/26 PAYE code (if under £3,000)	30 December	2024
Online SATR	31 January	2025

* A CGT return is due within 60 days of completion of sale of any UK land and buildings by a non-resident and of sale of UK residential property with a tax liability by a UK resident. Any CGT payable is also due within 60 days.

NATIONAL MINIMUM WAGE

Rate per hour	From 1.04.24	From 1.04.23
Aged 21* and over (National Living Wage)	£11.44	@10.42
Aged 21 – 22	N/A	10.18
Aged 18 – 20	8.60	7.49
Aged 16 – 17	6.40	5.28
Apprentices	6.40	5.28

* In 2023/24, the National Living Wage applied to those aged 23 and above.
You are advised to consult us before acting on any information contained herein.

APRIL 2024

M	T	W	T	F	S	S
1	2	3	4	5	6	
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

MAY 2024

M	T	W	T	F	S	S
		1	2	3	4	
5	6	7	8	9	10	11
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JUNE 2024

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JULY 2024

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AUGUST 2024

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SEPTEMBER 2024

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OCTOBER 2024

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NOVEMBER 2024

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DECEMBER 2024

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JANUARY 2025

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FEBRUARY 2025

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MARCH 2025

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30	31					

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