

## Income Tax

### Rates and bands (other than savings and dividend income)

2026/27		2025/26	
Band £	Rate %	Band £	Rate %
0 - 37,700	20	0 - 37,700	20
37,701 - 125,140	40	37,701 - 125,140	40
Over 125,140	45	Over 125,140	45

Income tax rates in Scotland and Wales on income other than savings and dividend income have been devolved.

### Savings income 2026/27 and 2025/26

Savings allowance basic rate	£1,000
Savings allowance higher rate	£500

A starting rate of 0% may be available unless taxable non-savings income exceeds £5,000.

### Dividend income 2026/27 2025/26

Dividend allowance	£500	£500
Dividend ordinary rate	10.75%	8.75%
Dividend upper rate	35.75%	33.75%
Dividend additional rate	39.35%	39.35%

## Income Tax Allowances

	2026/27	2025/26
Personal allowance	£12,570	£12,570
Personal allowance income limit	£100,000	£100,000
Marriage allowance	£1,260	£1,260
Married couple's allowance	£11,700	£11,270
- minimum amount	£4,530	£4,360
- income limit	£39,200	£37,700
Blind person's allowance	£3,250	£3,130

## Pensions

	2026/27	2025/26
Lump sum allowance	£268,275	£268,275
Lump sum and death benefit allowance	£1,073,100	£1,073,100
Annual allowance	£60,000	£60,000
Money purchase annual allowance	£10,000	£10,000

## Corporation Tax

Years to 31.3.26 and 31.3.27	Profits band £	Rate %
Small profits rate	0 - 50,000	19
Marginal rate	50,001 - 250,000	26.5
Main rate	Over 250,000	25
Marginal relief fraction	3/200	

Profits limits are reduced for a company with associated companies. Different rates apply for ring-fenced (broadly oil industry) profit.

## Inheritance Tax

Death rate	Lifetime rate	Chargeable transfers 2026/27 and 2025/26
Nil	Nil	0 - £325,000 (nil rate band)
40%	20%	Over £325,000

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

## Devolved Income Tax

### Scotland rates and bands

2026/27		2025/26	
Band £	Rate %	Band £	Rate %
tbc	tbc	0 - 2,827	19
tbc	tbc	2,828 - 14,921	20
tbc	tbc	14,922 - 31,092	21
tbc	tbc	31,093 - 62,430	42
tbc	tbc	62,431 - 125,140	45
tbc	tbc	Over 125,140	48

### Wales rates and bands

2026/27		2025/26	
Band £	Rate %	Band £	Rate %
0 - 37,700	20	0 - 37,700	20
37,701 - 125,140	40	37,701 - 125,140	40
Over 125,140	45	Over 125,140	45

## National Insurance

### 2026/27 Class 1 (employed) rates

Employee		Employer	
Earnings per week	%	Earnings per week	%
Up to £242	Nil	Up to £96	Nil
£242.01 - £967	8	Over £96	15
Over £967	2		

Entitlement to contribution-based benefits for employees retained for earnings between £129 and £242 per week. The employer rate is 0% for certain military veterans, employees under 21 and apprentices under 25 on earnings up to £967 per week.

**Class 1A (employers)** 15% on employee taxable benefits

**Class 1B (employers)** 15% on PAYE Settlement Agreements

**Class 2 (self-employed)** nil (£3.65 per week where those with profits below £7,105 wish to make a voluntary contribution)

**Class 3 (voluntary)** flat rate per week £18.40

**Class 4 (self-employed)** 6% on profits between £12,570 and £50,270 plus 2% on profits over £50,270

## Car, Van and Fuel Benefits

2026/27	
CO <sub>2</sub> emissions g/km	% of list price taxed
0	4
1 - 50	
Electric range	130 or more
	70 - 129
	40 - 69
	30 - 39
	under 30
51 - 54	17
For every extra 5 (other than the 75-79 bracket)	+1
155 and above	37

For fully diesel cars generally add a 4% supplement (unless 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 75g/km or more if the CO<sub>2</sub> figure does not end in a 5 or 0 round down to the nearest 5 or 0.

2026/27	
Car fuel benefit	£29,200
Van benefit	£4,170
Van fuel benefit	£798

## Capital Allowances

**First Year Allowance (FYA)** on certain plant, machinery and cars of 0g/km (for cars purchased before 1 April 2027 (6 April 2027 for income tax)) 100%

**Corporation tax FYA ('full expensing')** on certain new, unused plant and machinery 100%

**Corporation tax FYA** on new, unused long-life assets, integral features of buildings, etc. 50%

**FYA** for all businesses on certain new, unused plant and machinery for expenditure incurred from 1 January 2026 40%

**Annual Investment Allowance £1,000,000** excluding cars

**Writing Down Allowance**

Long-life assets, integral features of buildings, cars over 50g/km 6%

Other plant and machinery 18%/14%\*

**Structures and Buildings Allowance** 3%

\* The 14% rate will apply from 1 April 2026 (6 April 2026 for income tax), subject to transitional rules for chargeable periods which straddle those dates.

## Value Added Tax

	From 1.4.26	From 1.4.25
Standard rate	20%	20%
Reduced rate	5%	5%
Annual Registration Limit	£90,000	£90,000
Annual Deregistration Limit	£88,000	£88,000

## Capital Gains Tax

Individuals	2026/27	2025/26
Exemption	£3,000	£3,000
Standard rate	18%	18%
Higher/additional rate	24%	24%
Trusts		
Exemption	£1,500	£1,500
Rate	24%	24%

### Business Asset Disposal Relief

The first £1m of qualifying gains are charged at 14% for 2025/26 and 18% for 2026/27.

## Property Taxes

Across the whole of the UK, residential rates may be increased by 5% (8% in Scotland and up to 8.5% in Wales) where further residential properties are acquired.

## Stamp Duty Land Tax

Land and buildings in England and N. Ireland

Residential Band £	Rate %	Non-residential Band £	Rate %
0 - 125,000	0	0 - 150,000	0
125,001 - 250,000	2	150,001 - 250,000	2
250,001 - 925,000	5	Over 250,000	5
925,001 - 1,500,000	10		
Over 1,500,000	12		

First-Time Buyer relief may apply to residential purchases up to £500,000.

## Land and Buildings Transaction Tax

Land and buildings in Scotland

Residential Band £	Rate %	Non-residential Band £	Rate %
0 - 145,000	0	0 - 150,000	0
145,001 - 250,000	2	150,001 - 250,000	1
250,001 - 325,000	5	Over 250,000	5
325,001 - 750,000	10		
Over 750,000	12		

First-Time Buyer relief may apply on the first £175,000 of residential purchases.

## Land Transaction Tax

Land and buildings in Wales

Residential Band £	Rate %	Non-residential Band £	Rate %
0 - 225,000	0	0 - 225,000	0
225,001 - 400,000	6	225,001 - 250,000	1
400,001 - 750,000	7.5	250,001 - 1,000,000	5
750,001 - 1,500,000	10	Over 1,000,000	6
Over 1,500,000	12		

**Disclaimer:** Rates are for guidance only. Certain figures were not available at the time of writing. Whilst we take care to ensure the accuracy of this document, no responsibility for loss occasioned by any person acting or refraining from action as a result of this information can be accepted by the authors or firm.