

Income Tax

Rates and bands (other than savings and dividend income)

2027/28		2026/27	
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

* For 2027/28, new rates are introduced for savings and property income of 24%, 44% and 49%. Income tax rates in Scotland and Wales on income other than savings and dividend income have been devolved.

Savings income

2027/28 and 2026/27

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

2027/28

2026/27

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

Income Tax Allowances

	2027/28	2026/27
Personal allowance	£12,570	£12,570
Personal allowance income limit	£100,000	£100,000
Marriage allowance	£1,260	£1,260
Married couple's allowance	£12,110	£11,700
- minimum amount	£4,690	£4,530
- income limit	£40,600	£39,200
Blind person's allowance	£3,370	£3,250
Pensions Tax Allowance (PTA) below which full PTA applies*	£13,037	n/a
- limit at which PTA removed	£13,319	n/a

* The PTA is withdrawn by £1 for every £3 of income over £13,037.

Pensions

	2027/28	2026/27
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

Inheritance Tax

Death rate	Lifetime rate	Chargeable transfers 2027/28 and 2026/27
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.

Corporation Tax

Years to 31.3.27 and 31.3.28	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.

Devolved Income Tax

Scotland rates and bands

2027/28		2026/27	
Band £	Rate %	Band £	Rate %
tba	tba	0 - 3,967	19
tba	tba	3,968 - 16,956	20
tba	tba	16,957 - 31,092	21
tba	tba	31,093 - 62,430	42
tba	tba	62,431 - 125,140	45
tba	tba	Over 125,140	48

Wales rates and bands

2027/28		2026/27	
Band £	Rate %	Band £	Rate %
0 - 37,700	tba	0 - 37,700	20
37,701 - 125,140	tba	37,701 - 125,140	40
Over 125,140	tba	Over 125,140	45

National Insurance

2027/28 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 £133 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 (£3.80 per week where those with profits below £7,355 wish to make a voluntary contribution)

Class 3 (voluntary) flat rate per week £19.05

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

2027/28		
CO ₂ emissions g/km		% of list price taxed
0		5
1 - 50		
Electric range	130 or more	5
	70 - 129	8
	40 - 69	11
	30 - 39	15
	under 30	17
51 - 54		18
For every extra 5 (other than the 70-74 and 75-79 brackets)		+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 CO₂ figure does not end in a 5 or 0 round down to the nearest 5 or 0.

	2027/28
Car fuel benefit	£30,200
Van benefit	£4,310
Van fuel benefit	£825

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 2027 **50%**

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 **14%/12%***

Structures and Buildings Allowance **3%**

* The 12% rate applies from 1 April 2027 (6 April 2027 for income tax), subject to transitional rules for chargeable periods which straddle those dates.

Value Added Tax

	From 1.4.27	From 1.4.26
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	2027/28	2026/27
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 £500,000 (£1m for 2026/27) of qualifying gains are charged at 18%.

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.