

Key Tax Rates & Allowances for Tax Year 2022/23



Inform
ACCOUNTING

Personal allowances	2022-23	2021-22
Personal allowance (PA)	£12,570	£12,570
PA restricted by £1 for every £2 of adjusted net income over	£100,000	£100,000
Transferable tax allowance for certain married couples	£1,260	£1,260
Blind person's allowance	£2,600	£2,520
Married couples' allowance (at least one born pre 6 Apr 1935): Maximum (relief given at 10%) Minimum (relief given at 10%)	£9,415 £3,640	£9,125 £3,530

Other allowances	2022-23	2021-22
Personal savings allowance:	£1,000	£1,000
Basic rate taxpayers	£500	£500
Higher rate taxpayers	£0	£0
Additional rate taxpayers		
Maximum savings starting rate (non-savings income < PA) Reduces by £1 for every £1 of non-savings income > PA	£5,000	£5,000
Dividend allowance	£2,000	£2,000
Rent-a-room relief amount	£7,500	£7,500
Trading allowance	£1,000	£1,000
Property allowance	£1,000	£1,000

Income Tax bands and rates	2022-23	2021-22
Basic rate band:	£37,700	£37,700
Savings	20%	20%
Non-savings	20%	20%
Dividends	8.75%	7.5%
Gift Aid and pension contributions can extend basic rate band		
Higher rate band:	£37,701-£150,000	£37,701-£150,000
Savings	40%	40%
Non-savings	40%	40%
Dividends	33.75%	32.5%
Additional rate band:	£150,000+	£150,000+
Savings	45%	45%
Non-savings	45%	45%
Dividends	39.35%	38.1%

Rates applicable to trusts:	45%	45%
Savings	45%	45%
Non-savings	39.35%	38.1%
Dividends		

Non-domicile remittance basis charge (RBC)	2022-23	2021-22
De minimis unremitted foreign income and gains	£2,000	£2,000
UK resident 7 of last 9 tax years RBC	£30,000	£30,000
UK resident 12 of last 14 tax years RBC	£60,000	£60,000
UK resident 15 of last 20 tax years	Deemed domiciled	Deemed domiciled

Child benefit	2022-23	2021-22
One child (per week)	£21.80	£21.15
Additional children (per week)	£14.45	£14.00
Reduced by 1% for every £100 of income over	£50,000	£50,000
Child benefit fully repayable if income over	£60,000	£60,000

Savings & Investments

ISA	2022-23	2021-22
ISA annual limit (cash and shares combined)	£20,000	£20,000
Lifetime ISA annual limit	£4,000	£4,000
Lifetime ISA withdrawal charge	25%	25%
Help to buy ISA limit per month (closed to new accounts November 2019)	£200	£200
Junior ISA annual limit	£9,000	£9,000

Venture capital	2022-23	2021-22
Maximum individual investment:		
Enterprise Investment Scheme (EIS)	£1,000,000	£1,000,000
EIS, where amounts over £1m invested in 'knowledge-intensive' companies Seed EIS (SEIS)	£2,000,000	£2,000,000
Venture Capital Trust (VCT)	£100,000	£100,000
Social Investment Tax Relief (SITR)	£200,000	£200,000
	£1,000,000	£1,000,000
Maximum Income Tax reduction:		
EIS	30%	30%
SEIS	50%	50%
VCT	30%	30%
SITR	30%	30%



Pensions	2022-23	2021-22
Lifetime allowance Excess taxed at: 55% for cash drawn 25% for income drawn	£1,073,100	£1,073,100
Annual allowance maximum	£40,000	£40,000
Annual allowance minimum	£4,000	£4,000
Maximum gross tax-relieved contributions with no relevant earnings	£3,600	£3,600
Money purchase annual allowance	£4,000	£4,000

Capital Gains Tax (CGT)

Exemptions	2022-23	2021-22
Annual exemption for individuals	£12,300	£12,300
Annual exemption for trusts generally	£6,150	£6,150
Chattels max gain 5/3rds x proceeds less exempt amount of...	£6,000	£6,000

Rates	2022-23	2021-22
Individuals:		
Basic rate	10%	10%
Above basic rate	20%	20%
Additional surcharge applicable to residential property gains	8%	8%
Trusts		
Additional surcharge applicable to residential property gains	20%	20%
	8%	8%
Companies	See Corporation Tax	

Reliefs	2022-23	2021-22
Business Asset Disposal Relief: qualifying lifetime limit	£1,000,000	£1,000,000
Investors' Relief: qualifying lifetime limit	£10,000,000	£10,000,000
Both reliefs result in CGT at 10% on qualifying gains		

Inheritance Tax (IHT)

Exemptions and nil rates	2022-23	2021-22
Nil rate band	£325,000	£325,000
Residence nil rate band	£175,000	£175,000
Maximum at nil rate including nil rate band transfers from spouse	£1,000,000	£1,000,000

Rates	2022-23	2021-22
Chargeable lifetime transfers	20%	20%
Transfers on, or within seven years of, death (excess over nil rate band)	40%	40%
Transfers on death, where 10% or more left to charity	36%	36%
Taper relief on IHT payable for gifts made within seven years of death	0 - <3 years 3 - <4 years 4 - <5 years 5 - <6years 6 - <7 years More than 7 years	0% 20% 40% 60% 80% Exempt

Exemptions and reliefs	2022-23	2021-22
Gifts to UK domiciled spouse (or non-dom with domicile election)	Unlimited	Unlimited
Gifts to non-domiciled spouse (additional to nil rate band)	£325,000	£325,000
Annual exemption (per donor): can be carried forward one year	£3,000	£3,000
Small gifts exemption (per donee)	£250	£250
Wedding gift from parent	£5,000	£5,000
Wedding gift from grandparent	£2,500	£2,500
Wedding gift from others	£1,000	£1,000
Regular gifts out of income	Unlimited	Unlimited
Business Property Relief: Controlling interest in listed company Personal assets used by partnership or company you control Interest in a trading business Shares in an unquoted trading company (including AIM-listed)	50% relief 50% relief 100% relief 100% relief	50% relief 50% relief 100% relief 100% relief
Agricultural Property Relief (applicable to agricultural value)	100% relief	100% relief



VAT

VAT	2022-23	2021-22
Registration threshold (taxable turnover, i.e. excl. exempt)	£85,000	£85,000
Deregistration threshold	£83,000	£83,000
Rates: Standard Reduced Zero Note: temporary reduced rate for hospitality and tourism sector 12.5% from 1 October 2021 to 31 March 2022.	20% 5% 0%	20% 5% 0%
Fractions: Standard Reduced Reduced: hospitality and tourism	1 / 6 1 / 21 N/A	1 / 6 1 / 21 1 / 9
Cash accounting & annual accounting: Taxable turnover upper limit for joining Taxable turnover upper limit for leaving	£1,350,000 £1,600,000	£1,350,000 £1,600,000
Flat rate scheme: Taxable turnover upper limit for joining Anniversary test: leave if total income (incl. exempt) greater than stay if total income in next 12 months will be less than	£150,000 £230,000 £191,500	£150,000 £230,000 £191,500
Flat rate scheme limited cost trader (LCT): LCT applies if spend on relevant goods in the quarter is: Less than total income (incl. exempt) x OR, less than LCT rate (reduce by 1% first 12 months of registration)	2% £250 16.5%	2% £250 16.5%
Partial exemption de-minimis: recover VAT if input VAT attributable to exempt supplies is: on average less than and, as a proportion of total input VAT is no more than	£625 per month 50%	£625 per month 50%

Stamp Duties & ATED

Stamp Duty	2022-23	2021-22
Newly issued shares	0%	0%
Stocks and marketable securities with consideration over £1,000	0.5%	0.5%

Stamp Duty Land Tax: residential property	2022-23	2021-22
First time buyers where cost of property < £500,000:	0%	0%
£0 - £300,000	5%	5%
£300,000 - £500,000		
If the cost is more than £500,000 then the normal rates apply.		
£0 - £125,000	0%	0%
£125,001 - £250,000	2%	2%
£250,001 - £925,000	5%	5%
£925,001 - £1,500,000	10%	10%
£1,500,001 +	12%	12%
Note: owing to Coronavirus, the nil rate of SDLT was extended to £500,000 from 8 July 2020 to 30 June 2021. The nil rate then fall to £250,000 until 30 September 2021 before returning to £125,000 as above.		
Supplement for second home/buy to let and companies Not applicable if consideration less than	3% £40,000	3% £40,000
Higher rate for non-natural person with non-qualifying activity (applies to companies, partnerships with a company partner and collective investment schemes)	15% if >£500,000	15% if >£500,000
Surcharge for non-UK residents	2%	2%

Stamp Duty Land Tax: non-residential or mixed property	2022-23	2021-22
£0 - £150,000	0%	0%
£150,001 - £250,000	2%	2%
£250,001 +	5%	5%
Qualifying purchases in Freeport tax sites are eligible for full relief from SDLT.		

Annual Tax on Enveloped Dwellings	2022-23	2021-22
Applies if market value on valuation date exceeds	£500,000	£500,000
Valuation dates	1 April 2022	1 April 2017
Annual charge if taxable value is £500,001 - £1,000,000	£3,800	£3,700
£1,000,001 - £2,000,000	£7,700	£7,500
£2,000,001 - £5,000,000	£26,050	£25,300

£5,000,001 - £10,000,000	£60,900	£59,100
£10,000,001 - £20,000,000	£122,250	£118,600
£20,000,001 +	£244,750	£237,400

Corporation Tax & Capital Allowances

Corporation Tax	2022-23	2021-22
Rate	19%	19%
S455 tax on loans to participators	33.75%	32.5%

Patent box and R&D	2022-23	2021-22
Patent box effective rate	10%	10%
Research and Development (R&D) capital expenditure relief	100%	100%
R&D total enhanced deduction for SMEs	230%	230%
R&D tax credit rate on surrenderable loss for SMEs Payable tax credit in a year exceeding £20,000 is restricted to 3x total PAYE Income Tax and NICs liability.	14.5%	14.5%
R&D large company above the line credit	13%	13%

Capital allowances	2022-23	2021-22
Annual Investment Allowance (100%) up to	£1,000,000	£1,000,000
Super deduction (company expenditure on new assets between 1 April 2021 and 31 March 2023)	130%	130%
Special rate allowance (company expenditure on new special rate assets between 1 April 2021 and 31 March 2023)	50%	50%
Plant and machinery general pool Writing Down Allowance (WDA)	18%	18%
Integral features and certain long-life assets WDA	6%	6%
Small pool WDA where balance <£1,000	100%	100%
First Year Allowance for electric charge-points	100%	100%
First Year Allowance for new zero emissions goods vehicles	100%	100%
First Year Allowance for new plant and machinery used in Freeports	100%	100%
Structures and Buildings Allowance (SBA)	3%	3%

Enhanced SBA for Freeports	10%	10%
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Capital allowance: cars	2022-23	2021-22
New and unused with CO emissions of 0g/km ₂	100%	100%
New or second hand with CO emissions of up to 50g/km ₂	18%	18%
New or second hand with CO emissions above 50g/km ₂	6%	6%
Include cars used by sole traders or partnerships with private use in a single asset pool		

National Insurance

Class 1 (employers & employees)

Thresholds

	2022-23			2021-22		
	Weekly	Monthly	Yearly	Weekly	Monthly	Yearly
Lower earnings limit	£123	£533	£6,396	£120	£520	£6,240
Primary threshold	£190	£823	£9,880	£184	£797	£9,568
Upper earnings limit	£967	£4,189	£50,270	£967	£4,189	£50,270
Secondary threshold	£175	£758	£9,100	£170	£737	£8,840
Freeport upper secondary threshold	£481	£2,083	£25,000	N/A	N/A	N/A
Upper secondary threshold (under 21)	£967	£4,189	£50,270	£967	£4,189	£50,270
Apprentice (under 25) upper secondary threshold £967	£967	£4,189	£50,270	£967	£4,189	£50,270
Veterans' upper secondary threshold	£967	£4,189	£50,270	£967	£4,189	£50,270

Rates

	2022-23	2021-22
Employees' main rate (primary threshold to upper earnings limit)	13.25%	12%
Employees' lower rate (above upper earnings limit)	3.25%	2%
Employers' rate*	15.05%	13.8%

Employees' contracted-out rebate**	N/A	1.4%
Married women's reduced rate between primary threshold and upper earnings limit	7.1%	5.85%
Married women's rate above upper earnings limit	3.25%	2%
Employers' contracted-out rebate, salary-related schemes**	N/A	3.4%
Employers' contracted-out rebate, money-purchase schemes	N/A	N/A

*No employer's NIC on employees under 21, apprentices under 25, Freeport employees and veterans in first year, up to relevant upper secondary thresholds.

**Abolished from April 2016

Classes 1A and 1B (employers)

	2022-23	2021-22
Class 1A	15.05%	13.8%
Class 1B	15.05%	13.8%

Classes 2 and 4 (self-employed)

	2022-23	2021-22
Class 2		
Flat rate per week	£3.15	£3.05
Share fishermen per week	£3.80	£3.70
Volunteer development workers per week	£6.15	£6.00
Small profits threshold	£6,725	£6,515
Class 4		
On profits £9,880 (£9,568 2021-22) to £50,270	10.25%	9%
On profits over £50,270	3.25%	2%

Class 3 (voluntary)

	2022-23	2021-22
Flat rate per week	£15.85	£15.40