TAX CARD

2025/26

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INCOME TAX ALLOWANCES

	2025/26	2024/25
Personal allowance*	£12,570	£12,570
Personal savings allowance **– Basic-rate taxpayer** **– Higher-rate taxpayer** **– Additional-rate taxpayer**	 £1,000 £500 £0	 £1,000 £500 £0
Dividend allowance at 0%	£500	£500
Marriage/civil partner transferable allowance**	£1,260	£1,260
Trading and property allowance***	£1,000	£1,000
Rent-a-room allowance	£7,500	£7,500
Blind person's allowance	£3,130	£3,070

* The personal allowance is reduced by £1 for each £2 of income earned above £100,000 up to £125,140.
** Any unused personal allowance may be transferred to a spouse or civil partner, where the recipient is not liable to higher or additional-rate tax.
*** Landlords and traders with gross income from each of these sources in excess of £1,000 can deduct the allowance from their gross income as an alternative to claiming expenses.

INCOME TAX BANDS AND RATES

	2025/26	2024/25
Starting rate of 0% on savings up to*:	£5,000	£5,000
Basic-rate band**	£12,571 to £50,270	£12,571 to £50,270
Higher-rate band	£50,271 to £125,140	£50,271 to £125,140
Additional-rate band	Above £125,140	Above £125,140
Basic-rate	20%	20%
Higher-rate	40%	40%
Additional-rate	45%	45%
Dividend basic-rate	8.75%	8.75%
Dividend higher-rate	33.75%	33.75%
Dividend additional-rate	39.35%	39.35%

* The starting rate does not apply if non-savings taxable income exceeds the starting rate limit. Every £1 of other income above the personal allowance reduces the starting rate 'band' by £1.
** Assumes the individual is in receipt of a personal allowance.

INCOME TAX IN SCOTLAND

	2025/26		2024/25	
Band	**Taxable income**	**Rate**	**Taxable income**	**Rate**
Starter*	£12,571 – £15,397	19%	£12,571 – £14,876	19%
Basic	£15,398 – £27,491	20%	£14,877 – £26,561	20%
Intermediate	£27,492 – £43,662	21%	£26,562 – £43,662	21%
Higher	£43,663 – £75,000	42%	£43,663 – £75,000	42%
Advanced**	£75,001 - £125,140	45%	£75,001 – £125,140	45%
Top**	Above £125,140	48%	Above £125,140	48%

* Assumes the individual is in receipt of a personal allowance.
** The personal allowance is reduced by £1 for each £2 of income from £100,000 to £125,140.

VEHICLE AND FUEL BENEFITS-IN-KIND

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

CO2 emissions (g/km)	Electric range (miles)	Appropriate percentage *
0	n/a	3%
1 – 50	130 and over	3%
1 – 50	70 – 129	6%
1 – 50	40 – 69	9%
1 – 50	30 – 39	13%
1 – 50	Under 30	15%
51 – 54	n/a	16%
Over 54	n/a	+1% every 5g/km up to 37%

* Diesel vehicles not meeting the RDE2 standard will be liable to a 4% surcharge, up to a maximum of 37%.

The list price is on the day before first registration, including most accessories, and is reduced by any employee's capital contribution (max £5,000) when the car is first made available. 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 to the car fuel benefit multiplier (below).

Company car fuel	2025/26	2024/25
Car fuel benefit multiplier	£28,200	£27,800

Company vans*	2025/26	2024/25
Van benefit charge	£4,020	£3,960
Van fuel benefit multiplier	£769	£757

* Applies where private use is more than home-to-work travel. Payments by employees for private use may reduce these benefits-in-kind. Zero-emission vans have a benefit value of £0.

TAX-FREE MILEAGE ALLOWANCES

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

The tax-free business mileage allowance rates apply for qualifying business journeys incurred by employees using their own vehicles over the course of the tax year.
For National Insurance purposes, a 45p rate might apply for all business miles incurred by cars and vans.

CAPITAL GAINS TAX

	2025	2024
Annual exemption: Individuals, estates, etc	£3,000	£3,000
Trusts generally	£1,500	£1,500

	From 30/10/24	To 29/10/24
Below UK higher rate band Tax rate	18%	10%
Surcharge for residential property/ carried interest*	0%/0%	8%/8%
Within UK higher and additional rate bands Tax rate	24%	20%
Surcharge for residential property/ carried interest*	0%/4%	4%/8%
Trusts and estates Tax rate	24%	20%

* For 2025/26, rate for carried interest for all tax bands is 32%

Business Asset Disposal Relief
14% (10% 24/25) on lifetime limit of £1,000,000 for trading businesses and companies (minimum 5% participation) held for at least 2 years.

INHERITANCE TAX

	2025/26	2024/25
Nil-rate band threshold*	£325,000	£325,000
Main residence nil-rate band**	£175,000	£175,000
Business property relief and agricultural property relief	50% or 100%	50% or 100%

* Up to 100% of the unused part of a person's NRB and RNRB can be claimed by the surviving spouse/civil partner, subject to the RNRB taper below.

** For estates in excess of £2m the RNRB is reduced by £1 for every £2 of value by which the estate exceeds the taper threshold.

TAX RATES

	2025/26	2024/25
Main rate	40%	40%
Chargeable on lifetime transfers	20%	20%
Transfers on or within seven years of death*	40%	40%
Reduced rate**	36%	36%

* Subject to the table below.
** Applies if 10% or more of net chargeable estate is left to certain registered charities.

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

UK COMPANY TAXATION

Financial year from 1 April	2025/26	2024/25
Corporation tax main rate*	25%	25%
Loans to participators	33.75%	33.75%
Diverted profits tax	31%	31%
Small profits rate	19%	19%
Lower threshold	£50,000	£50,000
Upper threshold	£250,000	£250,000

*A tapered rate applies to profits falling between £50,000 and £250,000 in 2024/25 and 2025/26.

MAIN CAPITAL ALLOWANCES

INITIAL ALLOWANCES

Annual investment allowance: on first £1m (excludes cars)	100%
First-year allowance: special-rate pool	50%
First-year allowance: including new and unused electric and zero-emission cars and goods vehicles	100%
Full expensing relief: plant and machinery	100%

WRITING-DOWN ALLOWANCES

Plant and machinery main-rate expenditure		18%
Plant and machinery special-rate expenditure		6%
Cars	1 – 50g/km	18%
	More than 50g/km	6%
Structures and buildings allowance – straight-line relief		3%

VAT

From 1 April 2025	Rate	VAT fraction
Standard rate	20%	1/6
Reduced rate	5%	1/21

TAXABLE TURNOVER LIMITS

From 1 April	2025	2024
Registration (last 12 months or next 30 days) over	£90,000	£90,000
Deregistration (next 12 months) under	£88,000	£88,000
Annual and cash accounting schemes turnover limit	£1.35m	£1.35m
Flat-rate scheme turnover limit	£150,000	£150,000

RESEARCH AND DEVELOPMENT (R&D)

Capital expenditure	100%
R&D merged scheme	20%
R&D intensive SME payable credit	14.5%
R&D intensive SME intensity ratio	30%

TAX-EFFICIENT INVESTMENTS

Annual investment limit	2025/26	2024/25
ISA	£20,000	£20,000
Lifetime ISA*	£4,000	£4,000
Help-to-buy ISA (existing savers only)	Up to £200 a month	
Junior ISA and child trust fund	£9,000	£9,000
Venture capital trust at 30%	£200,000	£200,000
Enterprise investment scheme at 30%**	£1m	£1m
Seed EIS (SEIS) at 50%	£200,000	£200,000

* Reduces ISA limit by amount invested in Lifetime ISA.
** Up to £2m if at least £1m of that is invested in knowledge-intensive companies.

REGISTERED PENSIONS

	2025/26	2024/25
Lifetime allowance limit*	None	None
Money purchase annual allowance	£10,000	£10,000
Annual allowance limit**	£60,000	£60,000
Minimum age for accessing benefits	55	55
Maximum tax-free pension lump sum	25% of pension fund value	

* The lifetime allowance ended in April 2024 and was replaced by new allowances, including an overseas transfer allowance (OTA) for pensions transferred abroad.

** Tapered at a rate of 50% of excess income down to £10,000 if threshold income over £200,000 and adjusted income over £260,000. Restrictions can apply based on net-relevant earnings.

Subject to certain conditions, the unused amount of the annual allowance can be carried forward up to three years.

NATIONAL INSURANCE

Class 1			
Weekly earnings	**Employee rate**	**Weekly earnings**	**Employer rate**
Up to £242	Nil*	**Up to £96**	Nil
£243 – £967	8%	**£97 - £967**	15%**
Over £967	2%	**Over £967**	15%
Over state pension age	0%	**Over state pension age**	15%

* Entitlement to contribution-based benefits are retained for earnings between £125 and £242 per week.

** 0% for staff under 21 and apprentices under 25 on earnings up to £967 a week.

Class 1A	
On relevant benefits, including car and fuel benefits	15%

Class 2	
Self-employed small profits threshold	£6,845
Lower profits limit	Not applicable

Class 3	
Voluntary	£17.75 a week

Class 4*	
From 6 April: Self-employed on profits £12,570-£50,270	6%
Over £50,270	2%

* Exemption applies if the state retirement age is reached by 6 April 2025.

EMPLOYMENT ALLOWANCE

Per employer, per year*	£10,500

* One claim only for companies in a group or under common control. Not available if sole employee is a director.

APPRENTICESHIP LEVY

A 0.5% levy applies to your total pay bill, offset by an annual allowance of £15,000 (equivalent to 0.5% of £3 million). In practical terms, you pay nothing if your pay bill is at or below £3 million; if it exceeds this, you pay 0.5% on the entire bill minus the £15,000 allowance. Further conditions apply, so please contact us for advice.

STAMP DUTY

Consideration on shares over £1,000	0.5%

PROPERTY TAXES

Incremental rates of tax are only payable on the part of the property price within each band. An extra 5% rate (6% in Scotland) applies to purchases of additional residential property above £40,000 and all corporate residential properties.

ENGLAND & NORTHERN IRELAND: STAMP DUTY LAND TAX

On transfer of residential property*		On transfer of non-residential property	
£0 – £125,000	0%	**£0 – £150,000**	0%
£125,001 – £250,000	2%	**£150,000 – £250,000**	2%
£250,001 – £925,000	5%	**Above £250,000**	5%
£925,001 – £1.5m	10%		
Above £1.5m	12%		

* First-time buyers pay nothing on the first £300,000 for properties up to £500,000.

For residential purchases by 'non-natural persons' over £500,000 a rate of 17% applies, subject to certain exclusions.

SCOTLAND: LAND AND BUILDINGS TRANSACTION TAX

On the transfer of residential property*		On the transfer of non-residential property	
£0 – £145,000	0%	£0 – £150,000	0%
£145,001 – £250,000	2%	£150,001 – £250,000	1%
£250,001 – £325,000	5%	Above £250,000	5%
£325,001 – £750,000	10%		
Above £750,000	12%		

* First-time buyers pay nothing on the first £175,000.

WALES: LAND TRANSACTION TAX

On the transfer of residential property		On the transfer of non-residential property	
£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 – £1m	5%
£750,001 – £1.5m	10%	Above £1m	6%
Above £1.5m	12%		

RESIDENTIAL PROPERTY DEVELOPER TAX

On annual profits in excess of £25m	4%

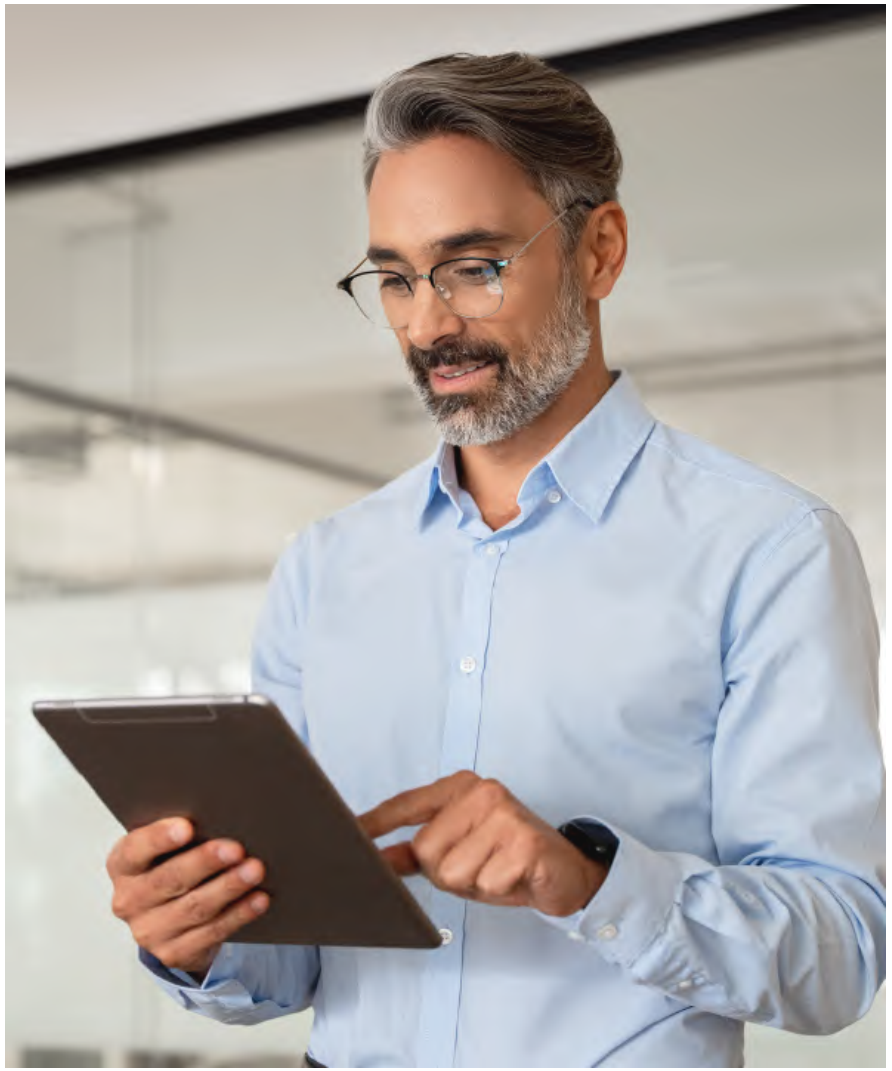
IMPORTANT NOTICE

These rates and allowances are based on fiscal announcements made by the UK and Northern Ireland, Scottish and Welsh Governments and are for information only.

All information is subject to change before 6 April 2025 and confirmation by the respective Governments. The above must not be considered advice and no warranty is given for the accuracy or completeness of the details. Professional advice should be sought before making any decisions.

Rates apply to the UK unless stated otherwise.

Get in touch for tax-planning advice.



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