

# PENTLANDS

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## Tax Rates 2022 - 2023

## Income Tax

Allowances	2022/23	2021/22
Personal Allowance (PA)*	£12,570	£12,570
Marriage Allowance†	1,260	1,260
Blind Person's Allowance	2,600	2,520
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\*PA is withdrawn at £1 for every £2 by which 'adjusted income' exceeds £100,000.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	2022/23	2021/22
Basic Rate Band (BRB)	£37,700	£37,700
Higher Rate Band (HRB)	37,701 – 150,000	37,701 – 150,000
Additional rate	over 150,000	over 150,000
Personal Savings Allowance (PSA)		
– Basic rate taxpayer	1,000	1,000
– Higher rate taxpayer	500	500
Dividend Allowance (DA)	2,000	2,000

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	2022/23			2021/22		
	G	S	D	G	S	D
Basic rate	20%	20%	8.75%	20%	20%	7.5%
Higher rate	40%	40%	33.75%	40%	40%	32.5%
Additional rate	45%	45%	39.35%	45%	45%	38.1%

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 savings income falls in the first £5,000 of the basic rate band, it is taxed at nil rather than 20%.

The PSA taxes interest at nil, where it would otherwise be taxable at 20% or 40%.

Dividends are normally taxed as the 'top slice' of income. The DA taxes the first £2,000 of dividend income at nil, rather than the rate that would otherwise apply.

Income tax - Scotland	2021/22	2020/21
Starter rate	19% £2,097	£2,097
Basic rate	20% 2,098 – 12,726	2,098 – 12,726
Intermediate rate	21% 12,727 – 31,092	12,727 – 31,092
Higher rate	41% 31,093 – 150,000	31,093 – 150,000
Top rate	46% over 150,000	150,000

The Scottish rates and bands do not apply for savings and dividend income, which are taxed at normal UK rates. The Scottish rates for 2022/23 have not yet been announced.

## High Income Child Benefit Charge (HICBC)

1% of child benefit for each £100 of adjusted net income between £50,000 and £60,000.

Remittance basis charge	2022/23	2021/22
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	

## Pensions

Registered Pensions	2022/23	2021/22
Lifetime Allowance (LA)	£1,073,100	£1,073,100
Annual Allowance (AA)*	40,000	40,000

Annual relievable pension inputs are the higher of earnings (capped at AA) or £3,600.

\*Usually tapered down, to a minimum of £4,000, when adjusted income exceeds £240,000.

State pension (per week)	2022/23	2021/22
Old state pension	£141.85	£137.60
New state pension†	185.15	179.60

†Applies to those reaching state retirement age after 5 April 2016.

## Annual investment limits

	2022/23	2021/22
Individual Savings Account (ISA)		
– 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	100,000	100,000
Venture Capital Trust (VCT) – 30% relief	200,000	200,000

## National Insurance Contributions

Class 1 (Employees)	Employee	Employer
Main NIC rate	13.25%	15.05%
No NIC on first	£190pw	£175pw
Main rate charged up to*	£967pw	no limit
2% rate on earnings above	£967pw	N/A
Employment allowance per business**	N/A	£4,000

\*Nil rate of employer NIC on earnings up to £967pw for employees aged under 21, apprentices aged under 25 and 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 2021/22.

Employer contributions (at 15.05%) 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)

Flat rate per week	£3.15
Small profits threshold	£6,725

### Class 3 (Voluntary)

Class 3: Flat rate per week	£15.85
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### Class 4 (Self-employed)

On profits £9,880 – £50,270	10.25%
On profits over £50,270	3.25%

## Vehicle benefits

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

CO2 g/km	Electric Range miles	2022/23	2021/22 chargeable percentage for cars first registered	
		All Cars %	Pre 6.04.2020 %	Post 5.04.2020 %
0	N/A	2	1	1
1-50	>130	2	2	1
1-50	70 - 129	5	5	4
1-50	40 - 69	8	8	7
1-50	30 - 39	12	12	11
1-50	<30	14	14	13
51-54	N/A	15	15	14

Then a further 1% for each 5g/km CO<sub>2</sub> 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 £3,600 (2021/22: £3,500) if private use is more than home-to-work. Zero-emission vans charged at £Nil (2021/22: £Nil).

### Fuel

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

Car: CO<sub>2</sub>-based percentage from above table multiplied by £25,300 (2021/22: £24,600).

Van: £688 (2021/22: £669).

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	2022/23	2021/22
Individuals, estates	£12,300	£12,300
Most trusts	6,150	6,150

### Tax rate

Individual (to basic rate limit)*	10%	10%
Individual (above basic rate limit)*	20%	20%
Trusts, estates*	20%	20%
Business Asset Disposal Relief (BADR) **	10%	10%
Investors' Relief (IR)***	10%	10%

\*Individuals are taxed at 18%/28% on gains on residential property and receipts of carried interest. Trusts and estates are taxed at 28% in these circumstances.

\*\*BADR is available on qualifying gains of up to £1m.

\*\*\*Shares in an unquoted trading company may qualify on lifetime gains up to £10m.

## Corporation Tax

Year to	31.3.2023	31.3.2022
Corporation Tax rate	19%	19%

### Research and development relief

SME enhanced expenditure deduction scheme*	130%	130%
Large company R&D Expenditure Credit (RDEC) scheme**	13%	13%

\*Additional deduction for qualifying R&D.

\*\*Taxable expenditure credit for qualifying R&D.

SMEs that make losses can surrender the deduction to HMRC in exchange for a payment of 14.5% of the loss (capped at £20,000 plus 3 x PAYE & NIC for periods beginning from 1.4.21).

## Main capital allowances

Plant and machinery allowances	Rate
Expenditure 1.4.21 - 31.3.23 (companies only)	
– Super-deduction (main pool expenditure)	130%
– First-year allowance (special rate pool expenditure)	50%
Annual Investment Allowance (AIA)	
– expenditure 1.1.19 - 31.3.23 of up to £1,000,000	100%
New electric vans	100%
Writing down allowance: general pool (reducing balance)	18%
Writing down allowance: special rate pool (reducing balance)	6%

### Motor cars purchased

	From 1.4.21	1.4.18 to 31.3.21	Allowance
	CO <sub>2</sub> (g/km)	CO <sub>2</sub> (g/km)	
New cars only	Nil	up to 50	100%
In general pool	up to 50	up to 110	18%
In special rate pool	above 50	above 110	6%

### Structures and buildings allowance

Fixed deduction per annum	3%
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## 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	
	31.3.2023	31.3.2022
£0.5m – £1m	£3,800	£3,700
£1m – £2m	7,700	7,500
£2m – £5m	26,050	25,300
£5m – £10m	60,900	59,100
£10m – £20m	122,250	118,600
Over £20m	244,750	237,400

### Stamp Duty Land Tax (SDLT), Land and Buildings Transaction Tax (LBTT) and Land Transaction Tax (LTT) from 1 October 2021

The Scottish and Welsh authorities have not yet announced the rates of LBTT and LTT for 2022/23.

#### Residential property (1st property only)

SDLT - England & NI		LBTT - Scotland		LTT - Wales	
£000	Rate	£000	Rate	£000	Rate
Up to 125	Nil	Up to 145	Nil	Up to 180	Nil
125 – 250	2%	145 – 250	2%	180 – 250	3.5%
250 – 925	5%	250 – 325	5%	250 – 400	5.0%
925 – 1,500	10%	325 – 750	10%	400 – 750	7.5%
Over 1,500	12%	Over 750	12%	750 – 1,500	10.0%
				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% (LBTT and LTT: 4%) of the total purchase price.

For SDLT:

– First-time buyers purchasing a property of up to £500,000 pay a nil rate on the first £300,000 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) 20.0%

Tourism and hospitality sector reduced rate  
– from 1.10.21-31.3.22 12.5%

Registration level - Taxable turnover £85,000 per annum

Deregistration level - Taxable turnover 83,000 per annum

### Flat Rate Scheme (FRS)

Annual taxable turnover to enter scheme 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

	2022/23	2021/22
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 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 £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

		2022/23	2021/22
1st payment on account	31 January	2023	2022
2nd payment on account	31 July	2023	2022
Balancing payment	31 January	2024	2023
Capital Gains Tax*	31 January	2024	2023

\*UK residential property: CGT due within 60 days of completion. For non-UK residents, this applies for all UK land and buildings.

### Other payment dates

Class 1A NIC	19 July	2023	2022
Class 1B NIC	19 October	2023	2022

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

### 2021/22 Filing deadlines

Issue P60s to employees	31 May	2022
P11D, P11D(b)	6 July	2022
Self Assessment Tax Return (SATR) paper version	31 October	2022
Online SATR if outstanding tax to be included in 2023/24 PAYE code (if under £3,000)	30 December	2022
Online SATR	31 January	2023

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

## Useful rates

### National Minimum Wage Rates per hour

	From	From
Aged 23 and over (National Living Wage)	1.04.22	1.04.21
Aged 21 – 22	£9.50	£8.91
Aged 18 – 20	9.18	8.36
Aged 16 – 17	6.83	6.56
Apprentices	4.81	4.62
	4.81	4.30

You are advised to consult us before acting on any information contained herein.

## 2022/2023 Calendar

### April 2022

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	

### June 2022

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			

### August 2022

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	31				

### October 2022

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
31						

### December 2022

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	31	

### February 2023

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					

### May 2022

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	31					

### July 2022

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	31

### September 2022

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		

### November 2022

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				

### January 2023

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	31					

### March 2023

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	31		



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