

# PENTLANDS

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Tax Rates 2023 - 2024

## Income Tax

Allowances	2023/24	2022/23
Personal Allowance (PA)*	£12,570	£12,570
Marriage Allowance†	1,260	1,260
Blind Person's Allowance	2,870	2,600
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\*PA is withdrawn at £1 for every £2 by which 'adjusted income' exceeds £100,000.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	2023/24	2022/23
Basic Rate Band (BRB)	£37,700	£37,700
Higher Rate Band (HRB)	37,701 – 125,140	37,701 – 150,000
Additional rate	over 125,140	over 150,000

Personal Savings Allowance (PSA)		
– Basic rate taxpayer	1,000	1,000
– Higher rate taxpayer	500	500
Dividend Allowance (DA)	1,000	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			2023/24	2022/23		
	G	S	D	G	S	D
Basic rate %	20	20	8.75	20	20	8.75
Higher rate %	40	40	33.75	40	40	33.75
Additional rate %	45	45	39.35	45	45	39.35

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 £1,000 of dividend income at nil, rather than the rate that would otherwise apply.

Income tax - Scotland	2023/24	2022/23
Starter rate	19% (19%) £2,162	£2,162
Basic rate	20% (20%) 2,163 – 13,118	2,163 – 13,118
Intermediate rate	21% (21%) 13,119 – 31,092	13,119 – 31,092
Higher rate	42% (41%) 31,093 – 125,140	31,093 – 150,000
Top rate	47% (46%) over 125,140	150,000

Savings and dividend income are taxed at normal UK rates.

## 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	2023/24	2022/23
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	2023/24	2022/23
Annual Allowance (AA)*	£60,000	£40,000
Lifetime Allowance (LTA)	1,073,100	1,073,100

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

\*Usually tapered down, to a minimum of £10,000 (2022/23: £4,000), when adjusted income exceeds £260,000 (2022/23: £240,000).

In 2023/24 there is no LTA charge on excess pensions savings. The maximum tax-free pension lump sum is £268,275 (25% of LTA), unless a higher amount is "protected".

State pension (per week)	2023/24	2022/23
Old state pension	£156.20	£141.85
New state pension	203.85	185.15

## Annual investment limits

	2023/24	2022/23
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	200,000	100,000
Venture Capital Trust (VCT) – 30% relief	200,000	200,000

## National Insurance Contributions

Class 1 (Employees)	Employee	Employer
Main NIC rate	12%	13.8%
No NIC on first	£242pw	£175pw
Main rate charged up to*	£967pw	no limit
2% rate on earnings above	£967pw	N/A
Employment allowance per business**	N/A	£5,000

\*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 2022/23.

Employer contributions (at 13.8%) 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 if profits above £12,570 £3.45

### Class 3 (Voluntary)

Class 3: Flat rate per week £17.45

### Class 4 (Self-employed)

On profits between £12,570 and £50,270 9%

On profits over £50,270 2%

Employees with earnings above £123pw and the self-employed with annual profits over £6,725 can access entitlement to contributory benefits.

## Vehicle benefits

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

CO <sub>2</sub> g/km	Electric Range miles	2023/24 & 2022/23 %
0	N/A	2
1-50	>130	2
1-50	70 - 129	5
1-50	40 - 69	8
1-50	30 - 39	12
1-50	<30	14
51-54	N/A	15

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 £3,960 (2022/23: £3,600) if private use is more than home-to-work. Zero-emission vans charged at £Nil (2022/23: £Nil).

### Fuel

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

**Car:** CO<sub>2</sub>-based percentage from above table multiplied by £27,800 (2022/23: £25,300).

**Van:** £757 (2022/23: £688).

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	2023/24	2022/23
Individuals, estates	£6,000	£12,300
Most trusts	3,000	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%

\*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 up to a lifetime limit of £1m.

## Corporation Tax

Year to	31.3.2024	31.3.2023
Main rate (all profits)	N/A	19%
Main rate (profits above £250,000)	25%	N/A
Small profits rate (profits up to £50,000)	19%	N/A
Marginal relief band (MRB)	£50k – £250k	N/A
Fraction in MRB (effective marginal rate)	3/200 (26.5%)	N/A

### Research and development relief

SME enhanced expenditure deduction scheme*	86%	130%
Large company R&D Expenditure Credit (RDEC) scheme**	20%	13%

\*Additional deduction for qualifying R&D.

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

SMEs that make losses can surrender any R&D loss to HMRC in exchange for a payment of 10% (year to 31.3.23: 14.5%) of the loss (capped at £20,000 plus 3 x PAYE & NIC).

Qualifying loss-making companies where R&D expenditure constitutes at least 40% of total expenditure are able to claim a payable credit rate of 14.5% from 1 April 2023.

## Main capital allowances

### Plant and machinery allowances

	Year to 31.3.24	Year to 31.3.23
Companies only		
– First-year allowance (main pool)	100%	N/A
– Super-deduction (main pool)	N/A	130%
– First-year allowance (special rate pool)	50%	50%
Annual Investment Allowance (AIA)		
– Expenditure of up to £1m	100%	100%
New electric vans	100%	100%
Writing down allowance: main pool	18%	18%
Writing down allowance: special rate pool	6%	6%

### Motor cars purchased

From 1.4.21 CO <sub>2</sub> (g/km)	Allowance
Nil	100%
up to 50	18%
above 50	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	
	31.3.2024	31.3.2023
£0.5m – £1m	£4,150	£3,800
£1m – £2m	8,450	7,700
£2m – £5m	28,650	26,050
£5m – £10m	67,050	60,900
£10m – £20m	134,550	122,250
Over £20m	269,450	244,750

### Stamp Duty Land Tax (SDLT), Land and Buildings Transaction Tax (LBTT) and Land Transaction Tax (LTT)

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

SDLT - England & NI		LBTT - Scotland		LTT - Wales	
£000	Rate	£000	Rate	£000	Rate
Up to 250	Nil	Up to 145	Nil	Up to 225	Nil
250 – 925	5%	145 – 250	2%	225 – 400	6.0%
925 – 1,500	10%	250 – 325	5%	400 – 750	7.5%
Over 1,500	12%	325 – 750	10%	750 – 1,500	10.0%
		Over 750	12%	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% (SDLT), and 6% (LBTT) of the total purchase price. LTT has specific higher rates in bandings: up to 180k: 4%, 180 - 250k: 7.5%, 250 - 400k: 9%, 400 - 750k: 11.5%, 750-1,500k: 14%, >1,500k: 16%.

For SDLT:

– First-time buyers purchasing a property of up to £625,000 pay a nil rate on the first £425,000 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%

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

	2023/24	2022/23
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 on death 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

		2023/24	2022/23
1st payment on account	31 January	2024	2023
2nd payment on account	31 July	2024	2023
Balancing payment	31 January	2025	2024
Capital Gains Tax*	31 January	2025	2024

#### Other payment dates

Class 1A NIC	19 July	2024	2023
Class 1B NIC	19 October	2024	2023

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

### 2022/23 Filing deadlines

Issue P60s to employees	31 May	2023
P11D, P11D(b)	6 July	2023
Self Assessment Tax Return (SATR) paper version	31 October	2023
Online SATR if outstanding tax to be included in 2024/25 PAYE code (if under £3,000)	30 December	2023
Online SATR	31 January	2024

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

## National Minimum Wage

### Rate per hour

	From	From
Aged 23 and over (National Living Wage)	1.04.23	1.04.22
Aged 21 – 22	£10.42	£9.50
Aged 18 – 20	10.18	9.18
Aged 16 – 17	7.49	6.83
Apprentices	5.28	4.81

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

## 2023/2024 Calendar

### April 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

### May 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				

### June 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		

### July 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						

### August 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			

### September 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	

### October 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					

### November 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			

### December 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

### January 2024

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 2024

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			

### March 2024

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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