UK Property Accountants

TAX Rate

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INCOME TAX RATES

Income Tax Rates and Threshold (Non-savings and Savings)

Income Tax rates		2022/23	2023/24
Basic rate tax	20%	£12,571-£50,270	£12,571-£50,270
Higher rate tax	40%	£50,271-£150,000	£50,271-£125,140
Additional rate tax	45%	Above £150,000	Above £125,140

Dividend Tax Rates and Threshold

Tax rates		2022/23	2023/24
Basic rate tax	8.75%	£12,571-£50,270	£12,571-£50,270
Higher rate tax	33.75%	£50,271-£150,000	£50,271-£125,140
Additional rate tax	39.35%	Above £150,000	Above £125,140

Scottish rates and bands (Non savings)

Income Tax rates		2022/23	2023/24
Starter Rate	19%	£0 - £2,162	£0 - £2,162
Basic Rate	20%	£2,163 - £13,118	£2,163 - £13,118
Intermediate Rate	21%	£13,119 - £31,092	£13,119 - £31,092
Higher Rate	41%	£31,093 - £150,000	£31,093 - £150,000
Additional/Top Rate	46%	Above £150,000	Above £150,000

Note: Scottish taxpayers pay Scottish income tax on non-savings income and income tax/ dividend tax rates on savings income/dividend income, respectively.

ALLOWANCES AND RELIEFS

Savings Allowance

	2022/23	2023/24
Savings allowance basic rate	£1,000	£1,000
Savings allowance higher rate	£500	£500
Savings allowance additional rate	£0	£0
Starting rate for savings	£5,000	£5,000

Dividend Allowance

	2022/23	2023/24
Dividend Allowance	£2,000	£1,000

Income Tax Reliefs

	2022/23	2023/24
Personal Allowance	£12,570	£12,570
Personal allowance income limit (i)	£100,000	£100,000
Marriage allowance (ii)	£1,260	£1,260
Married Couple's Allowance (iii)	£9,415	£10,375
Married Couple's Minimum Allowance	£3,640	£4,010
Married Couple's Allowance income limit	£31,400	£31,400
Blind Person's Allowance	£2,600	£2,870
Trading/Property Allowance	£1,000	£1,000
Rent a Room Limit	£7,500	£7,500
High-income child benefit charge threshold (iv)	£50,000	£50,000

Notes :
i. Personal Allowance reduced by £1 for every £2 of income over £100,000.
ii. 10% of the personal allowance can be transferred between spouses/civil partners where neither is a higher rate taxpayer.
iii. Available to persons born before 6 April 1935.
- Reliefs for this allowance given at 10%.
- Reduced to the minimum allowance by £1 for every £2 of income over £31,400
iv. Charge of 1% of the benefit per £100 of adjusted net income over £50,000; 100% of the benefit withdrawn when adjusted net income reaches £60,000.
v. Dividend allowance will be reduced to £500 in 2024/25.

INDIVIDUAL SAVINGS ACCOUNT

Maximum Subscription	2022/23	2023/24
Adult ISAs	£20,000	£20,000
Junior ISAs	£9,000	£9,000

TAX FREE MILEAGE RATES

Maximum Subscription	2022/23	2023/24
CAR First 10,000 business miles Above 10,000 business miles	 45p 25p	 45p 25p
Motorcycles	24p	24p
Bicycles	20p	20p

PENSION CONTRIBUTION RELIEFS

Maximum Subscription	2022/23	2023/24
Lifetime allowance	£1,073,100	£1,073,100
Annual allowance (i,ii)	£40,000	£40,000
Money purchase annual allowance (ii)	£4,000	£4,000
Basic amount qualifying for tax relief (iii)	£3,600	£3,600

Notes:

i. Personal contributions cannot exceed 100% of earnings or, when aggregated with employer contributions, the annual allowance, plus unused allowances carried forward from the previous three years.

ii. The annual allowance is tapered by £1 for every £2 of adjusted net income above £240,000 for individuals with threshold income above £200,000. It cannot be reduced below £4,000.

iii. Up to £3,600 p.a. gross can be paid into pensions irrespective of earnings.

CAPITAL GAINS TAX (CGT)

Rates of Capital Gains Tax

	2022/23	2023/24
Basic rate taxpayers	10%	10%
Higher and additional rate taxpayers	20%	20%
Basic rate taxpayers (residential property)	18%	18%
Higher and additional rate taxpayers (residential property)	28%	28%
Gains qualifying for Business Asset Disposal Relief	10%	10%
Gains qualifying for Investors' Relief	10%	10%

Exemptions and Reliefs

	2022/23	2023/24
Annual Exemption	£12,300	£6,000
Business Asset Disposal Relief	£1m	£1m
Investors' Relief	£10m	£10m

Notes:

i. To the extent that the basic rate band is unused, a CGT rate of 10%/18% will apply.
ii. Annual Exemption will be reduced to £3,000 from 2024/25.

VALUE ADDED TAX (VAT)

	2022/23	2023/24
Standard rate	20%	20%
Reduced rate	5%	5%
Annual Registration Limit	£85,000	£85,000
Annual Deregistration Limit	£83,000	£83,000

Turnover threshold to join the scheme

	2022/23	2023/24
Cash accounting	£1,350,000	£1,350,000
Annual accounting	£1,350,000	£1,350,000

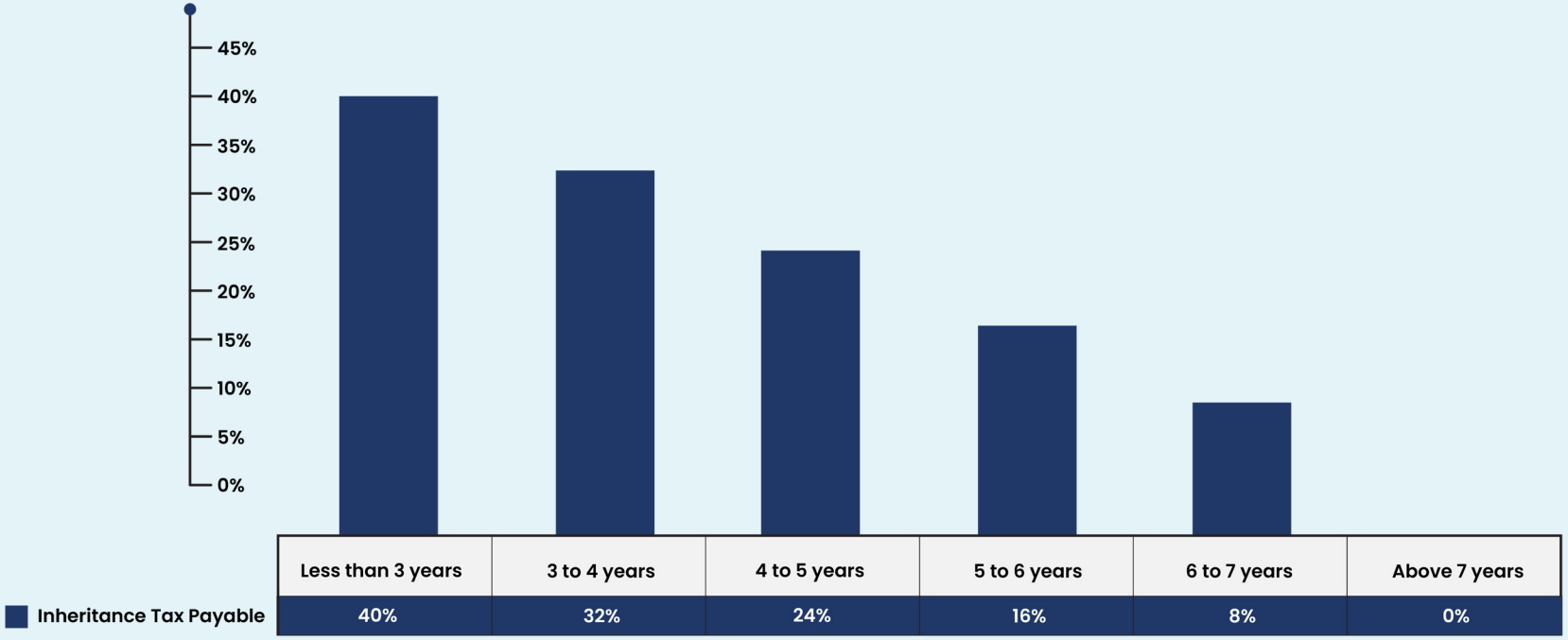
Turnover threshold to leave the scheme

	2022/23	2022/24
Cash accounting	£1,600,000	£1,600,000
Annual accounting	£1,600,000	£1,600,000

INHERITANCE TAX (IHT)

Rates and bands

	2022/23	2023/24
Nil Rate Band (NRB)	£325,000	£325,000
Over £325,000	40%	40%
Residence Nil Rate Band (iv)	£175,000	£175,000
Gift to trust	20%	20%
Reduced IHT rate (iii)	36%	36%



Exemptions and Reliefs

		2022/23	2023/24
Business Property Relief		50% or 100%	50% or 100%
Agricultural property relief		50% or 100%	50% or 100%
Transfer to spouse/civil partner		exempt till any amount	exempt till any amount
Transfer to spouse/civil partner (transferee Non UK-Domiciled		£325,000	£325,000
Total annual gifts per donor		£3,000	£3,000
Small gifts per donee not exceeding		£250	£250
Marriage gifts			
	Parent	£5,000	£5,000
	Grandparents	£2,500	£2,500
	Others	£1,000	£1,000
Normal expenditure out of income		exempt till any amount	exempt till any amount
UK/EU charities		exempt till any amount	exempt till any amount

Notes:

i. Lifetime gifts to an individual are initially not chargeable and are fully exempt after seven years.

ii. Death within seven years of lifetime gifts – tax on value gifted is payable at death rates subject to taper relief.

iii. 36% rate applicable where 10% or more of the deceased person's net chargeable estate is left to charity.

iv. Reduced by £1 for every £2 of the net value of the deceased's estate over £2m.

STAMP DUTY LAND TAX (SDLT)

SDLT chargeable on purchase of land and property in England and Northern Ireland (different rules apply to purchases of land and property in Scotland and Wales)

SDLT on Purchase price/Lease premium/ transfer value

Residential Property

Tax Slab (in £)	For Residents		For Non-Residents (ii)	
	Basic SDLT Rate (First Property)	SDLT Rate (Additional Property)	Basic SDLT Rate (First Property)	SDLT Rate (Additional Property)
Up to £250,000	0%	3%	2%	5%
£250,001 to £925,000	5%	8%	7%	10%
£925,001 to £1.5 million	10%	13%	12%	15%
above £1.5 million	12%	15%	14%	17%

Non-Residential Property

Property or lease premium or transfer value	For Residents	For Non-Residents (ii)
upto £150,000	0%	2%
£150,001 to £250,000	2%	4%
over £250,000	5%	7%

First Time Buyers Relief

Property or lease premium or transfer value	For Residents	For Non-Residents (ii)
upto £425,000	0%	2%
£425,001 to £625,000 (i)	5%	7%

Notes:
i. No First-time buyer's relief if the property value exceeds £625,000.
ii. An additional 2% surcharge applies to 'non-resident transactions'
iii. SDLT is charged at 15% on residential properties costing more than £500,000 bought by companies. If relief from the 15% higher rate charge, the higher surcharge rates will be applicable.

SDLT on Lease rentals

Residential Property

NPV of Rent	SDLT Rate
upto £125,000	0%
Excess over £125,000	1%

Non-Residential Property

NPV of Rent	SDLT Rate
upto £150,000	0%
£150,001 to £5m	1%
Excess over £5m	2%

ANNUAL TAX ON ENVELOPED DWELLINGS (ATED)

ATED is an annual tax payable mainly by companies and other 'non-natural persons' that own UK residential dwellings that are individually valued at more than £500,000, subject to exceptions.

ATED Period

New Acquisition	Within 30 days of acquisition, if it comes within the regime after 1 April.
Newly built property	Within 90 days of : The property becoming dwelling for Council tax purpose or its first occupancy Whichever is earlier.
Any other case	30th April (eg: for 2022/23 is 30 Apr 2022)

ATED Period

The ATED is chargeable at a flat rate if a property falls into a specific valuation band as follows:

Property Value	2022/23	2023/24
More than £500,000 up to £1 million	£3,800	£4,150
More than £1 million up to £2 million	£7,700	£8,450
More than £2 million up to £5 million	£26,050	£28,650
More than £5 million up to £10 million	£60,900	£67,050
More than £10 million up to £20 million	£122,250	£134,550
More than £20 million	£244,750	£269,450

CORPORATION TAX

	2022/23	2023/24
Corporation Tax	19%	25%

From 2023/24, the main rate will be 25%. A small profits rate of 19% will apply to profits up to £50,000. The company will pay 26.5% on the remainder profit between £50,000 and £250,000 and 25% on profits above £250,000.

CAPITAL ALLOWANCES

Turnover threshold to join the scheme

	2022/23	2023/24
Annual Investment Allowance	£1,000,000	£1,000,000
First year allowances - long life assets and integral features	50%	50%
First year allowances - plant and machinery	130%	0%

Writing Down Allowance

Long-life assets, integral features of buildings, cars over 50g/km	6%	6%
Other plant and machinery	18%	18%
Structures and Buildings Allowance	3%	3%

NATIONAL INSURANCE CONTRIBUTIONS (NICs)

Class 1 Primary Contribution Rates

	2022/23		2023/24
	6 Apr 22 to 5 Nov 22	6 Nov 22 to 5 Apr 23	
Salary upto £50,270	13.25%	12%	12%
Salary above £50,270	3.25%	2%	2%

Class 1 Secondary Contribution Rates

	2022/23		2023/24
	6 Apr 22 to 5 Nov 22	6 Nov 22 to 5 Apr 23	
Salary above £9,100	15.05%	13.8%	13.8%

Class 1A Contribution Rate

	2022/23	2023/24
Employee taxable benefits	15.05%	13.8%

Class 2 Self-employed Contribution Rate

	2022/23	2023/24
Earnings above £11,908	£3.15 p.w.	£3.45 p.w.

Class 4 Self-employed Contribution Rate

	2022/23	2023/24
Profits between £11,908 and £50,270	10.25%	9%
Profits above £50,270	3.25%	2%