

TAX RATES 24-25



INCOME TAX

INCOME TAX ALLOWANCES	2024/25	2023/24
Personal allowance*	£12,570	£12,570
Personal savings allowance		
– Basic-rate taxpayer	£1,000	£1,000
– Higher-rate taxpayer	£500	£500
– Additional-rate taxpayer	£0	£0
Dividend allowance at 0%	£500	£1,000
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	£3,070	£2,870

* The personal allowance is reduced by £1 for each £2 of income from £100,000 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

INCOME TAX BANDS AND RATES	2024/25	2023/24
Starting rate of 0% 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.

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	2%
1 – 50	130 and over	2%
1 – 50	70 – 129	5%
1 – 50	40 – 69	8%
1 – 50	30 – 39	12%
1 – 50	Under 30	14%
51 – 54	n/a	15%
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	2024/25	2023/24
Car fuel benefit multiplier	£27,800	£27,800

Company vans*	2024/25	2023/24
Van benefit charge	£3,950	£3,600
Van fuel benefit multiplier	£757	£668

*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

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

CAPITAL GAINS TAX

Main Rates

Company vans*	2024/25	2023/24
Individual basic-rate	10%	10%
Individual over basic-rate	20%	20%
Trust and estates	20%	20%
Surcharge- gains on chargeable residential property and carried interest	8%	8%

Annual exemption allowance

Individuals	£3,000	£6,000
Trust	£1,500	£3,000

Business asset disposal relief

Applicable rate	10%	10%
Lifetime limit	£1m	£1m

Investors' relief

Applicable rate	10%	10%
Lifetime limit	£1m	£1m

CAPITAL GAINS TAX

Financial year from 1 April	2024/25	2023/24
Corporation tax main rate*	25%	25%
Loan to participators	33.75%	33.75%
Diverted profits tax	31%	31%
Small profits tax	19%	19%
Lower threshold	£50,000	£50,000
Upper threshold	£250,000	£250,000

*Tapered rate applies to profit falling between £50,000 and £250,000 in 2024/25,

MAIN CAPITAL ALLOWANCES

Initial allowances

Financial year from 1 April	100%
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 good vehicle	100%
Full expensing relief: plant and machinery	100%

MAIN CAPITAL ALLOWANCES

Writing down allowances

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

VAT

Standard rate	20%
Reduced rate	5%
Cars 1-50g/km	18%

From 1 April	2024	2023
Registration (last 12 months or next 30 days) over	£90,000	£85,000
De-registration (next 12 months) under	£88,000	£83,000

IMPORTANCE NOTICE

These rates and allowances are based on fiscal statements and budget announcements made by the UK Governments and are for informational purposes only. All information is subject to change before 6 April 2024 and awaits confirmation by the respective governments. The above should not be considered advice, and no warranty is provided regarding the accuracy or completeness of these details. Professional advice should be sought before making any decisions. Rates apply to the UK and Northern Ireland unless otherwise specified.