

# TAX RATES 2026-27



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# Income Tax

## Rates and bands (other than savings and dividend income)

| 2026/27          |        | 2025/26          |        |
|------------------|--------|------------------|--------|
| Band £           | Rate % | Band £           | Rate % |
| 0 - 37,700       | 20     | 0 - 37,700       | 20     |
| 37,701 - 125,140 | 40     | 37,701 - 125,140 | 40     |
| Over 125,140     | 45     | Over 125,140     | 45     |

Income tax rates in Scotland and Wales on income other than savings and dividend income have been devolved.

| Savings income                | 2026/27 and 2025/26 |
|-------------------------------|---------------------|
| Savings allowance basic rate  | £1,000              |
| Savings allowance higher rate | £500                |

A starting rate of 0% may be available unless taxable non-savings income exceeds £5,000.

| Dividend income          | 2026/27 | 2025/26 |
|--------------------------|---------|---------|
| Dividend allowance       | £500    | £500    |
| Dividend ordinary rate   | 10.75%  | 8.75%   |
| Dividend upper rate      | 35.75%  | 33.75%  |
| Dividend additional rate | 39.35%  | 39.35%  |

## Income Tax Allowances

|                                 | 2026/27  | 2025/26  |
|---------------------------------|----------|----------|
| Personal allowance              | £12,570  | £12,570  |
| Personal allowance income limit | £100,000 | £100,000 |
| Marriage allowance              | £1,260   | £1,260   |
| Married couple's allowance      | £11,700  | £11,270  |
| - minimum amount                | £4,530   | £4,360   |
| - income limit                  | £39,200  | £37,700  |
| Blind person's allowance        | £3,250   | £3,130   |

## Value Added Tax

|                             | From 1.4.26 | From 1.4.25 |
|-----------------------------|-------------|-------------|
| Standard rate               | 20%         | 20%         |
| Reduced rate                | 5%          | 5%          |
| Annual Registration Limit   | £90,000     | £90,000     |
| Annual Deregistration Limit | £88,000     | £88,000     |

## Devolved Income Tax

### Scotland rates and bands

| 2026/27          |        | 2025/26          |        |
|------------------|--------|------------------|--------|
| Band £           | Rate % | Band £           | Rate % |
| 0 - 3,967        | 19     | 0 - 2,827        | 19     |
| 3,968 - 16,956   | 20     | 2,828 - 14,921   | 20     |
| 16,957 - 31,092  | 21     | 14,922 - 31,092  | 21     |
| 31,093 - 62,430  | 42     | 31,093 - 62,430  | 42     |
| 62,431 - 125,140 | 45     | 62,431 - 125,140 | 45     |
| Over 125,140     | 48     | Over 125,140     | 48     |

### Wales rates and bands

| 2026/27          |        | 2025/26          |        |
|------------------|--------|------------------|--------|
| Band £           | Rate % | Band £           | Rate % |
| 0 - 37,700       | 20     | 0 - 37,700       | 20     |
| 37,701 - 125,140 | 40     | 37,701 - 125,140 | 40     |
| Over 125,140     | 45     | Over 125,140     | 45     |

## Capital Gains Tax

| Individuals            | 2026/27 | 2025/26 |
|------------------------|---------|---------|
| Exemption              | £3,000  | £3,000  |
| Standard rate          | 18%     | 18%     |
| Higher/additional rate | 24%     | 24%     |
| Trusts                 |         |         |
| Exemption              | £1,500  | £1,500  |
| Rate                   | 24%     | 24%     |

### Business Asset Disposal Relief

The first £1m of qualifying gains are charged at 14% for 2025/26 and 18% for 2026/27.

## Inheritance Tax

| Death rate | Lifetime rate | Chargeable transfers<br>2026/27 and 2025/26 |
|------------|---------------|---------------------------------------------|
| Nil        | Nil           | 0 - £325,000 (nil rate band)                |
| 40%        | 20%           | Over £325,000                               |

A further nil rate band of £175,000 may be available in relation to current or former residences.

## Car, Van and Fuel Benefits

| 2026/27                                          |             |                       |
|--------------------------------------------------|-------------|-----------------------|
| CO <sub>2</sub> emissions g/km                   |             | % of list price taxed |
| 0                                                |             | 4                     |
| 1 - 50                                           |             |                       |
| Electric range                                   | 130 or more | 4                     |
|                                                  | 70 - 129    | 7                     |
|                                                  | 40 - 69     | 10                    |
|                                                  | 30 - 39     | 14                    |
|                                                  | under 30    | 16                    |
| 51 - 54                                          |             | 17                    |
| For every extra 5 (other than the 75-79 bracket) |             | +1                    |
| 155 and above                                    |             | 37                    |

For fully diesel cars generally add a 4% supplement (unless the car is registered on or after 1 September 2017 and meets the Euro 6d emissions standard) but the maximum is still 37%. For emissions of 75g/km or more if the CO<sub>2</sub> figure does not end in a 5 or 0 round down to the nearest 5 or 0.

### 2026/27

|                  |         |
|------------------|---------|
| Car fuel benefit | £29,200 |
| Van benefit      | £4,170  |
| Van fuel benefit | £798    |

## Tax Reliefs for Individuals

### 2026/27

#### Enterprise Investment Scheme (EIS)

Relief on investments in certain unquoted trading companies up to £1m per annum (£2m for knowledge intensive companies):

- Income tax relief at 30% • Capital gains exemption on disposal

Unlimited amounts of capital gains from the disposal of other assets may be able to be deferred by making an EIS investment.

#### Seed Enterprise Investment Scheme (SEIS)

Relief on investments in certain unquoted trading companies up to £200,000 per annum:

- Income tax relief at 50% • Capital gains exemption on disposal

Capital gains from the disposal of other assets may be exempt up to £100,000 per annum by making an SEIS investment.

#### Venture Capital Trusts (VCTs)

Relief on investments in certain quoted companies up to £200,000 per annum:

- Income tax relief at 20% • Capital gains exemption on disposal

Dividends received from VCTs may be exempt from income tax.

## Selected Rates

|                                     | 2026/27  | 2025/26  |
|-------------------------------------|----------|----------|
| <b>Weekly benefit</b>               | <b>£</b> | <b>£</b> |
| <b>New State Pension</b>            | 241.30   | 230.25   |
| <b>Old State Pension</b>            | 184.90   | 176.45   |
| <b>Statutory pay standard rates</b> |          |          |
| Sick Pay                            | 123.25   | 118.75   |
| Maternity/Adoption Pay              | 194.32   | 187.18   |
| Shared Parental Pay                 | 194.32   | 187.18   |
| Paternity Pay                       | 194.32   | 187.18   |

## National Living Wage and National Minimum Wage

| Age               | NLW    | 18-20  | 16-17 | Apprentices |
|-------------------|--------|--------|-------|-------------|
| From 1 April 2026 | £12.71 | £10.85 | £8    | £8          |

Applies to apprentices under 19 or 19 and over in the first year of apprenticeship.

NLW applies to those aged 21 and over.

## National Insurance

### 2026/27 Class 1 (employed) rates

| Employee          |     | Employer          |     |
|-------------------|-----|-------------------|-----|
| Earnings per week | %   | Earnings per week | %   |
| Up to £242        | Nil | Up to £96         | Nil |
| £242.01 - £967    | 8   | Over £96          | 15  |
| Over £967         | 2   |                   |     |

Entitlement to contribution-based benefits for employees retained for earnings between £129 and £242 per week. The employer rate is 0% for certain military veterans, employees under 21 and apprentices under 25 on earnings up to £967 per week.

|                                |                                                                                                  |
|--------------------------------|--------------------------------------------------------------------------------------------------|
| <b>Class 1A (employers)</b>    | 15% on employee taxable benefits                                                                 |
| <b>Class 1B (employers)</b>    | 15% on PAYE Settlement Agreements                                                                |
| <b>Class 2 (self-employed)</b> | nil (£3.65 per week where those with profits below £7,105 wish to make a voluntary contribution) |
| <b>Class 3 (voluntary)</b>     | flat rate per week £18.40                                                                        |
| <b>Class 4 (self-employed)</b> | 6% on profits between £12,570 and £50,270 plus 2% on profits over £50,270                        |

# Corporation Tax

| Years to 31.3.26 and 31.3.27 | Profits band £   | Rate % |
|------------------------------|------------------|--------|
| Small profits rate           | 0 - 50,000       | 19     |
| Marginal rate                | 50,001 - 250,000 | 26.5   |
| Main rate                    | Over 250,000     | 25     |
| Marginal relief fraction     | 3/200            |        |

Profits limits are reduced for a company with associated companies. Different rates apply for ring-fenced (broadly oil industry) profit.

## Capital Allowances

**First Year Allowance (FYA)** on certain plant, machinery and cars of 0g/km (for cars purchased before 1 April 2027 (6 April 2027 for income tax)) **100%**

**Corporation tax FYA ('full expensing')** on certain new, unused plant and machinery **100%**

**Corporation tax FYA** on new, unused long-life assets, integral features of buildings, etc. **50%**

**FYA** for all businesses on certain new, unused plant and machinery for expenditure incurred from 1 January 2026 **40%**

**Annual Investment Allowance £1,000,000** excluding cars

### Writing Down Allowance

Long-life assets, integral features of buildings, cars over 50g/km **6%**

Other plant and machinery **18%/14%\***

**Structures and Buildings Allowance** **3%**

\* The 14% rate applies from 1 April 2026 (6 April 2026 for income tax), subject to transitional rules for chargeable periods which straddle those dates.

## Pensions

|                                      | 2026/27    | 2025/26    |
|--------------------------------------|------------|------------|
| Lump sum allowance                   | £268,275   | £268,275   |
| Lump sum and death benefit allowance | £1,073,100 | £1,073,100 |
| Annual allowance                     | £60,000    | £60,000    |
| Money purchase annual allowance      | £10,000    | £10,000    |

Disclaimer: Rates are for guidance only. No responsibility for loss occasioned by any person acting/ refraining from action as a result of this information can be accepted by the authors or firm.

## Property Taxes

Across the whole of the UK, residential rates may be increased by 5% (8% in Scotland and up to 8.5% in Wales) where further residential properties are acquired.

### Stamp Duty Land Tax Land and buildings in England and N. Ireland

| Residential Band £  | Rate % | Non-residential Band £ | Rate % |
|---------------------|--------|------------------------|--------|
| 0 - 125,000         | 0      | 0 - 150,000            | 0      |
| 125,001 - 250,000   | 2      | 150,001 - 250,000      | 2      |
| 250,001 - 925,000   | 5      | Over 250,000           | 5      |
| 925,001 - 1,500,000 | 10     |                        |        |
| Over 1,500,000      | 12     |                        |        |

First-Time Buyer relief may apply to residential purchases up to £500,000.

### Land and Buildings Transaction Tax Land and buildings in Scotland

| Residential Band £ | Rate % | Non-residential Band £ | Rate % |
|--------------------|--------|------------------------|--------|
| 0 - 145,000        | 0      | 0 - 150,000            | 0      |
| 145,001 - 250,000  | 2      | 150,001 - 250,000      | 1      |
| 250,001 - 325,000  | 5      | Over 250,000           | 5      |
| 325,001 - 750,000  | 10     |                        |        |
| Over 750,000       | 12     |                        |        |

First-Time Buyer relief may apply on the first £175,000 of residential purchases.

### Land Transaction Tax Land and buildings in Wales

| Residential Band £  | Rate % | Non-residential Band £ | Rate % |
|---------------------|--------|------------------------|--------|
| 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 - 1,000,000    | 5      |
| 750,001 - 1,500,000 | 10     | Over 1,000,000         | 6      |
| Over 1,500,000      | 12     |                        |        |

## Individual Savings Accounts

|                                 | 2026/27 | 2025/26 |
|---------------------------------|---------|---------|
| Overall investment limit        | £20,000 | £20,000 |
| Junior account investment limit | £9,000  | £9,000  |

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