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TAXFAX

2023/24





TAXFAX 2023/24

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Where no information has been published by the Government in relation to rates/bands/thresholds for 2023/24, TaxFax includes the figures for 2022/23 and will be updated once the amounts are published.

Allowances & Reliefs

	2023/24	2022/23	Notes
Personal allowance	£12,570	£12,570	i, ii, iii, iv
Blind person's allowance	£2,870	£2,600	
Married/civil partner's allowance			
At least one partner born before 6 April 1935	£10,375	£9,415	ii, v
Minimum married/civil partner's allowance	£4,010	£3,640	ii, v
Personal savings allowance			
For basic rate taxpayer	£1,000	£1,000	
For higher rate taxpayer	£500	£500	
Dividend allowance	£1,000	£2,000	vi
Rent-a-room maximum	£7,500	£7,500	
High income child benefit charge threshold	£50,000	£50,000	vii
Micro-entrepreneurs allowances			
Trading income	£1,000	£1,000	
Property income	£1,000	£1,000	

Notes

- i Reduced by £1 for every £2 of income over £100,000.
- ii Non-residents may not be entitled to personal allowances in certain circumstances.
- iii The personal allowance will be frozen until 5 April 2028.
- iv 10% of the personal allowance can be transferred between spouses/civil partners where neither is a higher rate taxpayer.
- v 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 £34,600 (£31,400 for 2022/23).
- vi The dividend allowance will reduce to £500 from 6 April 2024
- vii Charge of 1% of the benefit per £100 of adjusted net income over £50,000; 100% of the benefit withdrawn when adjusted net income reaches £60,000.

Individuals - Income Tax Rates & Bands

Bands	2023/24	2022/23
Starting rate limit*	£5,000	£5,000
Basic rate band**	£1 - £37,700	£1 - £37,700
Higher rate band	£37,701 - £125,140	£37,701 - £150,000
Additional rate band	Over £125,140	Over £150,000

*Applicable to savings

**Fixed to 5 April 2028

Rates [^]	2023/24	2022/23
Basic rate	20%	20%
Higher rate	40%	40%
Additional rate	45%	45%
Starting rate for savings income	0%	0%
Dividend ordinary rate	8.75%	8.75%
Dividend upper rate	33.75%	33.75%
Dividend additional rate	39.35%	39.35%

[^]Rates do not include Scottish rates for non-savings and non-dividend income

Trusts - Income Tax Rates & Bands

	2023/24		2022/23	
	Dividends	Other	Dividends	Other
Interest in possession trusts and up to £1,000 for discretionary and accumulation and maintenance trusts	8.75%	20%	8.75%	20%
On income for non interest in possession trusts over £1,000	39.35%	45%	39.35%	45%

Notes

Trusts where the settlor or spouse/civil partner retains an interest are taxed as the income of the settlor.

Trusts for the vulnerable can be taxed at the beneficiary's rate of tax.

Pension Contribution Reliefs

	2023/24	2022/23	Notes
Lifetime allowance	No LTA charge	£1,073,100	i, ii
Annual allowance	£60,000	£40,000	iii, iv, v
Money purchase annual allowance	£10,000	£4,000	

Notes

i LTA will be abolished from 6 April 2024.

ii The 25% tax free lump sum will be capped at £268,275.

iii 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.

iv Maximum annual allowance £60,000 (£40,000 for 2022/23) reduced by £1 for every £2 of 'adjusted income' over £260,000 (£240,000 for 2022/23) to a minimum of £10,000 (£4,000 for 2022/23).

v Up to £3,600 p.a. gross can be paid into pensions irrespective of earnings to age 75.

Capital Gains Tax (CGT)

Rates for individuals and trusts

Basic and standard rate taxpayers
Higher and additional rate taxpayers
Trusts and personal representatives
Gains qualifying for Business Asset

2023/24	2022/23	Notes
10%	10%	
20%	20%	
20%	20%	
10%	10%	
10%	10%	
28%	28%	i, iii, iv
28%	28%	i, iv

Disposal Relief

Gains qualifying for Investors' Relief
Gains on residential property
Gains on carried interest

Non-UK resident individuals are subject to CGT on direct and indirect disposals of UK real estate

Exemptions and reliefs

Annual exemption

Individuals and personal representatives
Trusts

Lifetime limit on gains

Business Asset Disposal Relief
Investors' Relief

2023/24	2022/23	Notes
£6,000	£12,300	ii, v
£3,000	£6,150	v
£1m	£1m	
£10m	£10m	

Notes

- i To the extent that the basic rate band is unused, a CGT rate of 18% will apply.
- ii The annual exemption will reduce to £3,000 from 6 April 2024.
- iii Rate also applicable for trusts.
- iv Rate also applicable for personal representatives.
- v CGT proceeds reporting limit £50,000.

Inheritance Tax (IHT)

Rates and bands

On death

Nil rate band £1 - £325,000

Over £325,000

Residence nil rate band

2023/24	2022/23	Notes
0%	0%	i
40%	40%	ii
£175,000	£175,000	i,iii

Notes

i Nil rate band for estate of surviving spouse/civil partner is increased by the percentage of the nil rate band unutilised by the predeceased spouse/civil partner.

ii Tax rate reduces to 36% when at least 10% of net chargeable estate is left to charity.

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

iv The nil rate band and residence nil rate band will be frozen until 5 April 2028.

Main exemptions/reliefs

Spouse/civil partner – both UK domiciled (or transferor non-domiciled)	Unlimited
Gift from UK domiciled to non-UK domiciled spouse/civil partner (An election is available for the non-UK domiciled spouse/civil partner to be treated as UK domiciled for IHT purposes)	£325,000
Total annual gifts per donor	£3,000
Small gifts per donee not exceeding	£250
Marriage/civil partnership gifts by	
- parent	£5,000
- other 'relative'	£2,500
- other	£1,000
Regular gifts out of surplus income	Unlimited
UK charities plus those in the EU, Norway and Iceland, and political parties in the UK	Unlimited

Business and agricultural property relief can be available at 50% or 100% on qualifying business or agricultural property

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

Gifts to relevant property trusts will be taxable at 20% on the excess over available nil rate band

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

Years	0-3	3-4	4-5	5-6	6-7	Over 7
Taper relief	0%	20%	40%	60%	80%	100%
Effective rate of IHT	40%	32%	24%	16%	8%	0%

Individual Savings Accounts (ISAs)

	2023/24	2022/23	Notes
Cash, shares and innovative finance combined limit	£20,000	£20,000	
Junior ISA	£9,000	£9,000	i
Help to buy ISA	£2,400	£2,400	ii,iii
Lifetime ISA	£4,000	£4,000	iii,iv

Notes

- i Available to children not entitled to a Child Trust Fund.
- ii First time buyers over 16. No longer possible to open a new Help to Buy ISA but, where one is already open, contributions can continue to be made until November 2029 and a 25% bonus can be claimed until November 2030.
- iii A 25% bonus from the Government is available under both ISAs. However, if an individual has a Lifetime ISA and a Help to Buy ISA, the bonus can only be used from one of them.
- iv Available to individuals over 18 but under 40 to save for their first home or retirement; but counts as part of the £20,000 ISA limit.

Corporation Tax

	2023/24	2022/23	Notes
Corporation Tax - all profits and gains	25%	19%	i, iii
Patent box effective rate	10%	10%	ii
Residential Property Developers Tax	4%	4%	

Notes

- i Includes gains on UK property and profits from UK property businesses realised by non-UK resident companies.
- ii Applies to profits from qualifying patents derived from qualifying activities of the company.
- iii From 2023/24, the main rate will be 25%. A small profits rate of 19% will apply to profits up to £50,000. The effective rate will increase from 19% to 25% on profits between £50,000 and £250,000.

Research & Development (R&D) Tax Credits

	2023/24	2022/23	Notes
SME enhanced deduction	86%	130%	
SME cash credit for surrendered R&D losses	10%/14.5%	14.5%	i
Large company above the line credit	20%	13%	

Notes

- i A higher rate of SME payable credit of 14.5% will take effect for expenditure incurred in accounting periods beginning on or after 1 April 2023 for R&D intensive SMEs. SMEs will be eligible for this scheme if they have an R&D intensity, defined as 40% or above in the period. This support will be targeted using a new R&D intensity definition and calculated based on the ratio of the company's qualifying R&D expenditure (for both the SME and RDEC schemes) for a period to its total expenditure for the same period.

Capital Allowances

	2023/24	2022/23	Notes
Plant and machinery			
Annual investment allowance	100%	100%	i
Structures and buildings	3%	3%	ii
Long life assets (at least 25 years) and integral features	6%	6%	
Other plant and machinery assets	18%	18%	
First year allowances - plant and machinery	100%	130%	iii
First year allowances - long life assets and integral features	50%	50%	iii
First year allowances - R&D, designated Freeport sites, zero-emission goods vehicles	100%	100%	iv
Intangible assets			
Goodwill and customer related intangibles	6.5%	6.5%	
Other intangible assets	4%	4%	v
Cars			
CO₂ emissions (g/km)			
0	100%	100%	
0-50	18%	18%	
Over 50	6%	6%	

Notes

i Allowance of £1m p.a.

ii Flat rate allowance, applicable to non-residential structures and buildings. Where building located within a Freeport site, 10% rate will apply.

iii First year allowances available for expenditure incurred during 2021/22 and 2022/23 tax years only. For qualifying expenditure incurred on or after 1 April 2023 but before 1 April 2026, companies can claim:

- a 100% first-year allowance for main rate expenditure – known as full expensing; and
- a 50% first-year allowance for special rate expenditure.

iv FYAs for expenditure incurred in Enterprise Zones abolished from 2021/22 onwards.

v Excludes purchased goodwill and customer related intangible assets acquired after 8 July 2015. Tax deductions for accounting depreciation may be claimed instead.

Value Added Tax (VAT)

	2023/24	2022/23
Standard rate	20%	20%
Reduced rate	5%	5%

VAT registration thresholds

Registration required:	If UK taxable turnover is:
UK established businesses	More than £85,000 p.a.
Non-UK established businesses	Any amount
Deregistration is possible	Less than £83,000 p.a.

Other VAT schemes

Eligible to use Cash Accounting Scheme	Less than £1,350,000 p.a.
Eligible to use Annual Accounting Scheme	Less than £1,350,000 p.a.
Eligible to use Flat Rate Scheme	Less than £150,000 p.a.

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

Residential (purchase price/premium payable) until 31 March 2025

Rate	
0%	Up to £250,000
5%	£250,001 to £925,000
10%	£925,001 to £1,500,000
12%	Over £1,500,000
15%	Enveloped properties over £500,000

With the exception of the 15% rate for enveloped properties over £500,000, the rates are 3% higher for purchases of dwellings by companies and purchases of 'additional' dwellings by individuals subject to exceptions.

An additional 2% surcharge applies to 'non-resident transactions'. A transaction is a 'non-resident transaction' if the buyer or, where there is more than one buyer, one of the buyers fails to pass the SDLT residence test, or, in the case of 'close' UK companies, meets the non-UK control test.

Non-residential/mixed-use (purchase price/premium payable)

Rate	
0%	Up to £150,000
2%	£150,001 to £250,000
5%	over £250,000

Tax rates below charged on part of net present value of rent within each band:

Residential (until 31 March 2025)

Non-residential/mixed use

Rate		Rate	
0%	Up to £250,000	0%	Up to £150,000
1%	Over £250,000	1%	£150,001 to £5,000,000
		2%	over £5,000,000

Relief for first time buyers (until 31 March 2025)

Special rates apply for a qualifying buyer's first home. Price paid for the home must not exceed £500,000.

Rate	
0%	Up to £425,000
5%	£425,001 to £625,000

For residential property transactions completing on or after 1 April 2025, the tax rates and tax bands will revert to those in force immediately before 23 September 2022.

Annual Tax on Enveloped Dwelling (ATED)

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

The ATED period runs from 1 April to 31 March each year, and payment is due by 30 April following the beginning of each ATED period.

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

Residential property value	2024/25	2023/24
	Annual Charge	
Up to £500,000	n/a	n/a
£500,001 - £1,000,000	£4,150 + CPI	£4,150
£1,000,001 - £2,000,000	£8,450 + CPI	£8,450
£2,000,001 - £5,000,000	£28,650 + CPI	£28,650
£5,000,001 - £10,000,000	£67,050 + CPI	£67,050
£10,000,001 - £20,000,000	£134,550 + CPI	£134,550
Over £20,000,000	£269,450 + CPI	£269,450

Tax Free Mileage Rates

2023/24

Employee's own car	Rate per mile
Annual business mileage up to 10,000 miles	45p
Each additional mile over 10,000 miles	25p
Each qualifying passenger	5p
Motorcycle	24p
Cycle	20p

COVID-19 Tax Reliefs

All COVID-19 tax reliefs ended with effect from 6 April 2022.

National Insurance Contributions (NICs)

2023/24

Class 1 primary employees

2023/24

Total weekly earnings - contracted in up to £242 p.w.	nil
over £242 to £967 p.w.	12%
on excess over £967 p.w.	2%

Class 1 secondary employees

2023/24

Total weekly earnings - contracted in up to £175 p.w.	nil
over £175 p.w.	13.8%
Class 1A employers only	13.8% on taxable benefits
Class 1B employers only	13.8% on amount in PAYE settlement agreement and income tax thereon
Class 2 flat rate for self employed	£3.45 p.w. if earning over £12,570 p.a.
Class 3 voluntary	£17.45 p.w.
Class 4 self employed	9% on profits over £12,570 to £50,270 and a further 2% on profits above £50,270

Notes

Employment allowance – Eligible businesses and charities can claim a reduction of up to £5,000 per annum of their employer contributions.

NIC incentive – Class 1 secondary NIC will not be due from employers with employees under the age of 25, who are following an approved UK Government statutory apprenticeship framework, who earn up to £967 per week.

Employer NICs & Freeports

From 6 April 2022, employers operating in a Freeport tax site pay 0% employer Class 1 NIC on the earnings of some employees.

The 0% employer Class 1 NIC rate can be applied for the first three years of employment on earnings of up to £25,000 a year. This means that, when looking at the position on a typical weekly or monthly pay period basis, no employer NIC would be due, if the employee earns less than £481 per week or £2,083 per month. Regular employer NICs apply for earnings above these thresholds.

Only new employees who spend 60% or more of their working time within a Freeport tax site qualify, though there are some easements potentially available regarding this 60% requirement in particular situations e.g. for pregnancy or disability-related situations. Moreover, people would only be a 'new employee' for these purposes, if they have not been employed by that business (or a connected one), in the 24 months up to the start of this most recent employment.



For more information, please speak to your usual Blick Rothenberg contact or contact Caroline or Genevieve using the contact details below:

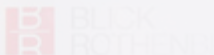


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