

INCOME TAX	EMPLOYMENT	NIC	CORPORATE	CAPITAL GAINS
IHT	VAT	LAND TAXES	TAX SERVICES	CONTACTS



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TAX DATA GUIDE

2022/23





INCOME TAX

INCOME TAX ALLOWANCES

INCOME TAX ALLOWANCES	2021/22	2022/23
Personal allowance ¹	£12,570	£12,570
Income limit for personal allowance ¹	£100,000	£100,000
Transferable tax allowance for married couples ²	£1,260	£1,260
Married couple's allowance (either party born before 6/4/1935) ^{3 4}	£9,125	£9,415
Income limit for married couple's allowance ^{3 4}	£30,400	£31,400
Minimum amount of married couple's allowance	£3,530	£3,640
Blind person's allowance	£2,520	£2,600
Dividend allowance ⁵	£2,000	£2,000
Personal savings allowance - basic rate taxpayers ⁶	£1,000	£1,000
Personal saving allowance - higher rate taxpayers ⁶	£500	£500
Trading income allowance ⁷	£1,000	£1,000
Property income allowance ⁷	£1,000	£1,000

1. The personal allowance reduces where the income is above £100,000 - by £1 for every £2 of income above the £100,000 limit. For 2021/22 and 2022/23, once income reaches £125,140 the personal allowance reduces to nil.
2. An individual who is taxable at no more than basic rate can transfer this part of his or her allowance to a spouse or civil partner who is also only taxed at basic rate.
3. These allowances reduce where the income is above the income limit by £1 for every £2 of income above the limit, until the married couple's allowance minimum amount is reached.
4. Tax relief for the married couple's allowance is given at the rate of 10%.
5. Exempts the first tranche of dividend income from tax but the exempted income does use up tax bands and count towards other income thresholds.
6. Exempts the first tranche of savings interest income by giving an effective tax credit of £200 to basic and higher rate taxpayers - not available to additional rate taxpayers.
7. Exempts the first £1,000 of income. Can be claimed where income is higher but related expenses cannot. Cannot be claimed where rent-a-room £7,500 exemption applies.

INVESTMENT TAX RELIEFS

ANNUAL INVESTMENT LIMITS AND INCOME TAX RELIEF ON INITIAL INVESTMENT	2021/22		2022/23	
	Limit	Relief	Limit	Relief
Enterprise investment scheme	£2,000,000 ¹	30%	£2,000,000 ¹	30%
Venture capital trust	£200,000	30%	£200,000	30%
Seed enterprise investment scheme ²	£100,000	50%	£100,000	50%
Social investment tax relief ³	£1,000,000	30%	£1,000,000	30%
Individual savings account - Adults	£20,000 ^{4 5 6}	N/A	£20,000 ^{4 5 6}	N/A
Junior ISA / Child trust fund (up to age 18)	£9,000	N/A	£9,000	N/A

1. Any amount over £1,000,000 must be invested in one or more qualifying knowledge intensive companies.
2. If you dispose of an asset which gives rise to a chargeable gain, 50% of the amount of gain reinvested in shares which also qualify for SEIS income tax relief will be exempt from CGT (this also applies where an SEIS investment is carried back to the prior year for income tax relief purposes).
3. Relief limited to purchase of ordinary shares or loans made to a narrow range of social enterprises and charities.
4. Help to Buy ISAs can continue for existing holders and be used for homes worth up to £450,000 in London and £250,000 outside London. Holders can save up to £200 per month each, to which the Government will add a 25% tax-free bonus of up to a maximum of £3,000. Can be transferred to a LISA.
5. Lifetime ISA (LISA) is available for people aged 18 to 40. Savers can invest up to £4,000 a year to which the Government will add a 25% tax-free bonus of up to a maximum of £1,000 a year. LISA funds can be used to buy a first home or as a pension (if funds used for other purposes the bonuses are lost and an extra charge applied).
6. Savings in Help to Buy, LISA and Junior ISAs (in tax year child becomes 18) are counted towards overall contribution limit for the year.

MORE OVERLEAF





INCOME TAX

TAX RATES AND TAXABLE BANDS

BAND	2021/22			2022/23		
		Dividends	Other income		Dividends	Other income
Starting rate for savings ¹²	£0-£5,000	N/A	0%	£0-£5,000	N/A	0%
Basic ²	£0-£37,700	7.5% ^{3 4}	20%	£0-£37,700	8.75% ^{3 4}	20%
Higher ²	£37,701-£150,000	32.5% ^{3 4}	40%	£37,701-£150,000	33.75% ^{3 4}	40%
Additional ²	Over £150,000	38.1% ^{3 4}	45%	Over £150,000	39.35% ^{3 4}	45%
Scottish -Starting rate ⁵	£0-£2,097	N/A ⁵	19%	£0-£2,162	N/A ⁵	19%
- Basic rate band ⁵	£2,098 - £12,726	N/A ⁵	20%	£2,163-£13,118	N/A ⁵	20%
- Intermediate rate band ⁵	£12,727 - £31,092	N/A ⁵	21%	£13,119-£31,092	N/A ⁵	21%
- Higher rate band ⁵	£31,093 - £150,000	N/A ⁵	41%	£31,093-£150,000	N/A ⁵	41%
- Additional ⁵	Over £150,000	N/A ⁵	46%	Over £150,000	N/A ⁵	46%
Trusts						
Income up to £1,000 ⁶	£0-£1,000	7.5%	20%	£0-£1,000	8.75%	20%
Trust tax rates	Over £1,000	39.35%	45%	Over £1,000	39.35%	45%

- The starting rate is for savings income only. If non-savings income is above this limit then the starting rate for savings will not apply.
- These rates apply for England, Northern Ireland and Wales. Since April 2019, the Welsh assembly has had the power to vary income tax rates in Wales but has not done so to date.
- Dividends are treated as the top slice of income - applies for each band in which they fall.
- The dividend allowance effectively exempts the first £2,000 of dividends received.
- Rates applicable to most taxable income of Scottish residents (after personal allowances). However, the UK thresholds and rates will still apply to their savings and dividend income and capital gains.
- The first £1,000 of income limit is available to set against the additional rate tax liability where there is only savings and dividend income - but it must be set against savings income first then against dividends.

CORONAVIRUS SUPPORT PAYMENTS

Qualifying Coronavirus Support Payments (other than loans) are taxed as business / trading income, but where eligibility criteria was not met, payments received will effectively be clawed back at a rate of 100%. This may apply to Coronavirus Job Retention Scheme payments for 2019/20 - 2021/22, and to Self Employment Income Support Scheme payments for 2020/21 and 2021/22.

REMITTANCE BASIS CHARGE FOR NON-UK DOMICILIARIES

An individual who is not UK-domiciled in a tax year but who is tax resident in the UK will be taxed in the UK on UK source income and capital gains. However, such individuals can opt to be taxed on the remittance basis (broadly on non-UK income and capital gains/value brought into the UK) in the tax year rather than on their worldwide income and capital gains. Where this option is taken an annual charge is levied as below:

Tax years of UK residence	Charge 2021/22 and 2022/23
Up to 7 tax years	Nil
7 or more out of the previous 9 tax years	£30,000
12 or more out of the previous 14 tax years	£60,000
15 or more out of the previous 20 tax years	N/A ¹

- Individual is deemed to be domiciled in the UK and taxable on worldwide income and capital gains.





EMPLOYMENT

COMPANY CAR BENEFITS

New cars ³	CO ₂ emissions in grams per kilometre ^{1 2} not exceeding													
	0	1-50	54	59	64	69	74	79	>	149	154	159	164	169+
2021/22	1%	See	14%	15%	16%	17%	18%	19%	>	33%	34%	35%	36%	37%
2022/23 ⁴	2%	below	15%	16%	17%	18%	19%	20%	>	34%	35%	36%	37%	37%

Hybrids - electric range (miles)	More than 130	70-129	40-69	30-39	Under 30
For new cars ³ with emissions of 1-50g/km					
2021/22	1%	4%	7%	11%	13%
2022/23 ⁴	2%	5%	8%	12%	14%

The vehicle list price is multiplied by the appropriate percentage (reduced for periods of unavailability) to calculate the benefit.

- For each 5 grams per kilometre above 95 increase by 1%.
- 4% supplement if car runs solely on diesel (subject to maximum of 37%).
- New means first registered after 5 April 2020 (Worldwide Light Vehicle Test Procedure (WLTP) emissions rating).
- Benefit percentages frozen at these rates until April 2025.

PROVISION OF FUEL FOR COMPANY CARS

Where any private fuel is provided	From 6 April 2021	From 6 April 2022
The company car percentage is multiplied by	£24,600	£ 25,300

VAT ON FUEL BENEFITS

AMOUNTS TREATED AS ADDITIONAL OUTPUT TAX PER ANNUM

CO ₂ emissions in grams per km ¹	1 May 2021 - 30 April 2022	1 May 2022 - 30 April 2023
120 or below	£97.50	£116.67
225 (or more)	£340.83	£408.33

- Rates vary, increasing for each 5 grams per kilometre.

COMPANY VAN BENEFITS

	2021/22	2022/23
Restricted to commuting and insignificant private journeys *	Nil	Nil
Unrestricted use *	£3,500 ¹	£3,600 ¹
Provision of private fuel *	£669	£ 688

* Most benefits will trigger a tax charge if provided through salary sacrifice arrangements.

- Nil charge for zero emission vans from 2021/22 onwards.

HMRC APPROVED MILEAGE RATES

	2011/12 onwards	
Employees' own cars	up to 10,000 miles	additional miles
Cars and vans from 2011/12	45p	25p
Motorcycles	24p	24p
Bicycles	20p	20p
Each passenger in cars and vans only - same trip	5p	5p



EMPLOYMENT

OTHER BENEFITS AND RATES

Interest free loans up to £10,000	Tax and NIC free
Larger loans at less than the official rate (2.25% up to 5 April 2021, 2% from 6 April 2021)	Discount taxable on employee and liable to employer's NIC
Car and motorcycle parking facilities/parking fees at or near place of work * Electricity that employers provide to charge an employee's electric or plug-in hybrid vehicle * Works bus services / support for public transport bus services * Employer supplied mobile telephones (one per employee) * Relocation costs not exceeding £8,000 * Protective clothing and uniforms *	Tax and NIC free unless provided through salary sacrifice arrangements (This list is not exhaustive.)
Employer pension contributions Workplace nurseries, childcare vouchers (within weekly limits) Cycles used partly for commuting	Tax and NIC free (This list is not exhaustive.)

* Most benefits will trigger a tax charge if provided through salary sacrifice arrangements entered into after 5 April 2017.

PENSION CONTRIBUTIONS

	2021/22	2022/23
Auto enrolment minimum contributions - employer	3%	3%
- employee	5%	5%
Individual's annual allowance (AA)	£40,000 ^{4 5 6}	£40,000 ^{4 5 6}
Employer - unlimited, but triggers tax charge on individual if 'total pension inputs' ^{1 2} exceed	£40,000 ^{4 5 6}	£40,000 ^{4 5 6}
Individual's lifetime allowance (LTA) ^{2 3}	£1,073,100 ³	£1,073,100 ³
Maximum tax-free lump sum ³	25% of fund	25% of fund

- Total pension inputs include both individual's contributions and employer's contributions.
- Statutory formulae are used to calculate deemed pension inputs and fund value for individuals who are members of defined benefit schemes.
- If an individual's fund exceeds the lifetime allowance at the time benefits are drawn (at age 55 or later), the excess will be subject to a tax charge at an effective rate of up to 55%.
- When contributions in the three prior tax years have been less than the AA for that year, it is possible to carry forward this unused relief to allow contributions of more than £40,000 to be made without incurring a tax charge.
- Limited to £4,000 for input periods starting from the date that certain pension benefits are taken.
- The AA for individuals with 'adjusted' income over £240,000 is reduced by £1 for every £2 of excess subject to a minimum allowance of £4,000.

APPRENTICESHIP LEVY

RATE FOR 2021/22 AND 2022/23	Allowance
0.50%	£15,000 ¹

¹ Levy charged on total earnings liable to employer Class 1 NIC (including the earnings for employees aged under 21 and apprentices under 25). Allowance effectively exempts employer (or groups of connected employers) from levy until total paybill exceeds £3,000,000 per tax year.

NATIONAL MINIMUM WAGE / LIVING WAGE

WORKER AGE	Apprentices < 19 and/or in first year	Under 18	18-20	21-22	23 and over
Hourly rate from 1 April 2021	£4.30	£4.62	£6.56	£8.36	£8.91
Hourly rate from 1 April 2022	£4.81	£4.81	£6.83	£9.18	£9.50





NATIONAL INSURANCE CONTRIBUTIONS

CLASS 1 | 2021/22

EMPLOYEE ¹				EMPLOYER ¹	
Weekly pay	Monthly pay	Annual pay	Rate	Weekly pay	Rate
£0 - £120 (LEL)	£0 - £520	£0 - £6,240	Nil		
£120 - £184 (PT)	£520 - £797	£6,240 - £9,568	Nil ²	£0 - £170 (ST)	Nil
£184 - £967 (UEL)	£797 - £4,189	£9,568 - £50,270	12%	£0 - £967 (UST, AUST) ³	Nil ³
Over £967	Over £4,189	Over £50,270	2%	Over £170(ST) / £967 (UST, AUST) ³	13.8%
Employment allowance					£4,000 ⁴

CLASS 1 | 2022/23

EMPLOYEE ¹				EMPLOYER ^{1 7 8}	
Weekly pay	Monthly pay	Annual pay	Rate	Weekly pay	Rate
£0 - £123 (LEL)	£0 - £533	£0 - £6,396	Nil		
£123 - £190 (PT)	£533 - £823	£6,396 - £9,880	Nil ^{2 3}	£0 - £175 (ST)	Nil
£123 - £242 (PT)	£533 - £1,048	£6,396 - £12,570	Nil ^{2 4}	£0 - £175 (ST)	Nil
£190 - £967 (UEL)	£823 - £4,189	£9,880 - £50,270	13.25%	£0 - £967 (UST, AUST) ⁵	Nil ⁵
Over £967	Over £4,189	Over £50,270	3.25%	Over £175(ST) / £967 (UST, AUST) ⁵	15.05%
Employment allowance					£5,000 ⁶

- The limits are defined as LEL - lower earnings limit; PT - primary threshold; ST - secondary threshold; UST - upper secondary threshold; AUST - apprentice upper secondary threshold and UEL - upper earnings limit.
- No NIC is actually payable but notional Class 1 NIC is deemed to have been paid in respect of earnings between the LEL and PT to protect contributory benefit entitlement.
- Applies 6 April to 5 July 2022 only.
- Applies from 6 July 2022 onwards.
- UST applies only for employees aged under 21; AUST applies only for employees aged under 25 who are apprentices. A new exemption for first 12 months of employing former forces personal applies from 6 April 2021.
- Can only be claimed by employers with Class 1 secondary NIC payments of less than £100,000 in the previous tax year (also need to consider the total of de minimis EU state aid receipts).
- Employer's NIC paid (up to UST) in respect of former Armed services personnel (taken on for their first civilian job) after 5 April 2021 can be reclaimed for first 12 months of employment (refund claims can be made after 5 April 2022).
- From 6 April 2022, employers operating in a Freeport tax site will pay zero % Class 1 employer's NIC in relation to newly created jobs.

OTHER NIC CLASSES

Classes 1A + 1B employer	2021/22		2022/23	
(A) Car, car fuel and other benefits		13.8%		15.05%
(B) PAYE settlement agreement		13.8%		15.05%
Class 2 Self-employed annual profits	over £6,515	£3.05 pw	over £9,880 ¹ over £12,570 ²	£3.15 pw
Class 3 Voluntary		£15.40 pw		£15.85 pw
Class 4 Self-employed annual profits	£9,568 - £50,270	9%	£9,880 ¹ - £50,270	10.25%
	over £50,270	2%	£12,570 ² - £50,270 over £50,270	10.25% 3.25%

- Applies 6 April to 5 July 2022.
- Applies from 5 July 2022 onwards.



CORPORATE TAX

CORPORATE TAX RATES

	2021/22 and 2022/23
Full rate ¹	19%
Patent box - effective rate	10%
Diverted profits tax ²	25% ²
Digital services tax ³	2% ³
Quarterly instalments threshold ^{3 4}	£1,500,000 ^{4 5}
Bank tax - surcharge	8% ¹
Residential property development tax	NA / 4% ⁶
Ring fenced profits (Oil extraction and rights)	19%
- Small - profits under £300,000 (marginal relief 11/400)	
- Main - profits of £300,000 and more	30%
- Supplementary charge	10%

- From April 2023 the full rate will increase to 25% on profits over £250,000. The rate for small profits under £50,000 will remain at 19%. Marginal relief (fraction 3/200) applies to profits between these thresholds. Bank surcharge reduces to 3% on profits over £100m (currently profits over £25m).
- Applies to diverted profits where large companies have sales to UK customers in excess of £10m but no taxable presence in UK (eg by avoiding a permanent establishment in the UK or by routing transactions through a third party that lacks economic substance). The rate will rise to 31% from April 2023.
- Applies to businesses generating relevant worldwide revenues of more than £500m, of which, at least £25m are derived from UK users. A group's first £25m of revenues derived from UK users will be exempt.
- Companies whose profits for two consecutive accounting periods exceed £1.5m³, must pay quarterly instalments of CT starting six months and 14 days after the start of the second accounting period.
- Quarterly instalment payments for companies with profits over £20m made on the third, sixth, ninth and twelfth months of their accounting period.
- RPDT applies from April 2022 onwards as a surcharge on relevant group profits over £25m.

CAPITAL ALLOWANCES

Annual investment allowance (AIA) ⁵	1 Jan 2019 to 31 March 2023
Available to all businesses for general plant and machinery, integral features (but not cars)	100% on first £1m per year
Other capital allowances	For 2021/2022 ¹ and 2022/23 ¹
General plant and machinery ^{2 4 5}	New - 130%, Second hand - 18%
Long-life assets ^{3 4 5}	New - 50%, Second hand - 6%
Integral features (IFs) ^{3 4 5 6}	New - 50%, Second hand - 6%
Structures and buildings in UK	3%
Freeport areas	- plant and machinery - structures and buildings
	100% 10%
New electric vans ⁷	100%
Cars with CO ₂ emissions of 0g/km	New cars - 100%, Second hand cars - 18%
Other business cars	- CO ₂ emissions ≤50g/km - CO ₂ emissions >50g/km
	All cars - 18% All cars - 6%

- All allowances apply from 1 April for companies and 6 April for other businesses unless otherwise stated.
- New uncapped "super-deduction" first year allowance of 130% on most new plant and machinery investments that ordinarily qualify for 18% general pool writing down allowances.
- New uncapped "SR" first year allowance of 50% on most new ⁴ plant and machinery investments that ordinarily qualify for 6% special rate pool, integral features and long-life asset pool writing down allowances.
- The super-deduction and SR allowances will only apply to qualifying expenditure on "new" (not "second hand" or "used") qualifying items from 1 April 2021 to 31 March 2023. Assets directly used for leasing do not qualify.
- The AIA will still be available to all businesses so companies will need to consider the allocation of AIA where any expenditure may not qualify for the super-deduction or SR allowance in its relevant chargeable period.
- Integral features include: lifts; escalators; central heating; air conditioning; electrical lighting; power and water systems; external solar screening.
- Second hand electric vans or vans with CO₂ emissions are covered by AIA.



CORPORATE TAX

RESEARCH AND DEVELOPMENT RELIEF

	2021/22 and 2022/23
Small and medium-sized companies	
- Additional deduction for costs	130%
- Expenditure credit ¹	14.5%
Research and development expenditure credit (RDEC) for large companies - Above the line credit	13%
Research and development capital allowances - for qualifying capital expenditure ²	100%

1. Loss-making SMEs can surrender deduction in exchange for payment. Repayable credit restricted by reference to the company's total PAYE and NIC liability for the year of claim from 1 April 2021.
2. On purchase of plant and machinery, testing facilities, research buildings and infrastructure with no cost limits.

OTHER CORPORATE TAX RELIEFS

	Additional deduction	Payable tax credit for losses surrendered ¹	
		2021/22	2022/23
Animation tax relief	Lower of 80% total core expenditure and amount of UK core expenditure	25%	25%
Children's television tax relief		25%	25%
Film tax relief		25%	25%
High-end TV tax relief		25%	25%
Museums and galleries tax relief ²	Lower of 80% total core expenditure and amount of core expenditure on goods or services from the EEA	20%/25% ²	45%/50%
Orchestra tax relief		25%	50%
Theatre tax relief ³		20%/25% ³	45%/50%
Video games tax relief		25%	25%

1. Where the entity is not profit making, a payable tax credit is available for surrendered losses.
2. For Museums and Galleries Exhibition Tax Relief, a lower rate is given for non-touring exhibitions and a higher rate for touring exhibitions from 27 October 2021.
3. For Theatre Tax Relief, a lower rate is given for non-touring productions and a higher rate for touring productions from 27 October 2021.

CORONAVIRUS SUPPORT PAYMENTS

Qualifying Coronavirus Support Payments (other than loans) are taxed as business/trading income, but where eligibility criteria was not met, payments received will effectively be clawed back at a rate of 100%. This may apply to Coronavirus Job Retention Scheme payments for 2019/20 - 2021/22.

INTEREST ON TAX - ANNUAL RATES

Corporation tax paid via quarterly instalments	Paid late	Repaid
30 March 2020	1.10%	0.50%
27 December 2021	1.25%	0.50%
14 February 2022	1.50%	0.50%
28 March 2022	1.75%	0.50%
16 May 2022	2.00%	0.50%
CGT, NIC, income tax, IHT, SDLT, SDRT and other corporation tax payments		
7 April 2020	2.60%	0.50%
7 January 2022	2.75%	0.50%
21 February 2022	3.00%	0.50%
5 April 2022	3.25%	0.50%
24 May 2022	3.50%	0.50%

See older rates on [HMRC website here](#)



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CAPITAL GAINS

ANNUAL EXEMPTION

	2021/22	2022/23
Individuals	£12,300	£12,300
Trusts ¹	£6,150	£6,150
Chattels exemption	£6,000	£6,000

1. Divided by the number of trusts settled by same settlor since 6 June 1978, up to a maximum of 10. Trusts for the disabled have the full individual exemption, subject to a similar anti-fragmentation rule.

RATES

	2021/22	2022/23
Standard rate	10%	10%
Higher rate	20%	20%
Residential property standard rate	18%	18%
Residential property / carried interest higher rate ¹	28% ¹	28% ¹
Business asset disposal relief	10% ²	10% ²
Business asset disposal relief lifetime limit of on gains	£1,000,000 ²	£1,000,000 ²
Investors' relief rate	10% ³	10% ³
Investors' relief lifetime limit of gains	£10,000,000 ³	£10,000,000 ³

1. Also applies to gains made by non-UK residents on sales of UK residential property (but corporation tax rate applies for corporates unless property within the ATED regime and disposed of prior to 6 April 2019).
2. Business asset disposal relief (formerly known as Entrepreneurs' relief) may be available for individuals (and trustees of settlements) on disposal of certain business assets including the sale of a business or the sale of a qualifying shareholding (5% or qualifying enterprise management incentive shares) in a trading company/holding company of a trading group.
3. Investors' relief applies to qualifying investor gains on newly issued ordinary shares of an unlisted trading company bought by individuals from 17 March 2016 and held for at least three years starting from 6 April 2016.



INHERITANCE TAX

RATES ON DEATH

	2021/22	2022/23
Nil (all chargeable assets)	£325,000	£325,000 ²
Nil (residence) ¹	£150,000	£175,000 ²
40%	Excess	Excess

For married couples and civil partners, the proportion of the nil-rate band unused on the first death is available for use, at the rate then prevailing, on the death of the second spouse or civil partner on or after 9 October 2007. A reduced rate of 36% applies where 10% or more of the net estate is left to charity.

1. A special nil rate band applies where a residence is passed on death to a direct descendant.
2. Bands frozen until at this level until 6 April 2026.

LIFETIME TRANSFERS

Gifts to individuals and certain trusts for minor children and the disabled are potentially exempt transfers. If the donor survives seven years the transfers are completely exempt. All other lifetime transfers are chargeable at 20%. Where tax is charged at death on any gift made within seven years of death, taper relief may apply as follows:

YEARS BEFORE DEATH	0-3	3-4	4-5	5-6	6-7
Death rate tax percentage	100%	80%	60%	40%	20%

RELIEFS AND MAIN LIFETIME EXEMPTIONS (REDUCING VALUE TRANSFERRED)

ASSET TRANSFERRED	REDUCTION
Whole or part of business (excluding investment businesses and certain industries)	100%
Quoted shares giving control	50%
Unquoted shares ¹	100%
Agricultural relief - working farmer and property let on tenancies starting after 31 August 1995	100%
Agricultural relief - other let property	50%

1. Shares quoted on AIM and ISDX are treated as unquoted.

CASH (OR OTHER) GIFT	REDUCTION
Annual exemption	£3,000
Small gifts (per donee)	£250
Gifts out of income	100%
<i>Gifts on marriage:</i>	
- Parent	£5,000
- Grandparent	£2,500
- Other	£1,000
Charitable gifts	100%



VALUE ADDED TAX

VAT RATES

Standard rate	20%
Reduced rate (domestic fuel, power and energy saving measures)	5%
Temporary reduced rate for hospitality sector ¹ - 1 July 2020 to 30 September 2021	5%
- 1 October 2021 to 31 March 2022	12.5%
Hospitality Rate from April 2022 to April 2023	20%

1. Hospitality includes supplies of food, accommodation and attractions.

ANNUAL TURNOVER THRESHOLDS	From 1 April 2021	From 1 April 2022
Registration	£85,000	£85,000
Registration for distance sales from EU countries to unregistered UK customers	£70,000	£70,000
Deregistration	£83,000	£83,000
Flat rate schemes - entry	£150,000 or less	£150,000 or less
Flat rate schemes - exit	More than £230,000	More than £230,000
Cash or annual accounting - entry	£1,350,000 or less	£1,350,000 or less
Cash or annual accounting - exit	More than £1,600,000	More than £1,600,000



LAND TAXES

WHOLLY RESIDENTIAL FREEHOLD LAND AND BUILDINGS

ENGLAND AND NORTHERN IRELAND STAMP DUTY LAND TAX

Value	Rate ^{1 2}
Up to £500,000 (from 8 July 2020 to 30 June 2021)	Nil
£500,001 - £925,000	5% ³
Up to £250,000 (from 1 July 2021 to 30 September 2021)	Nil
£250,001 - £925,000	5% ³
Up to £125,000 (from 1 October 2021 onwards)	Nil
£125,001 - £250,000	2%
£250,001 - £925,000	5% ³
£925,001 - £1,500,000 (all periods)	10% ³
Over £1,500,000	12% ³

FIRST TIME BUYERS (from 1 July 2021)

Up to £300,000	Nil
£300,000 - £500,000	5%
Over £500,000	Standard rates above apply to whole purchase price

SCOTTISH LAND AND BUILDINGS TRANSACTIONS TAX

Value	Rate ^{1 4}
Up to £250,000 (15 July 2020 to 31 March 2021)	Nil
Up to £145,000 (up to 14 July 2020 and from 1 April 2021)	Nil
£145,001 - £250,000	2%
£250,001 - £325,000	5%
£325,001 - £750,000	10%
Over £750,000	12%

FIRST TIME BUYERS (from 1 April 2021)

Up to £175,000	Nil
£175,001-£250,000	2%
Over £250,000	Standard rates above apply to portion of property value exceeding £250,000

WELSH LAND TRANSACTION TAX

Value	Rate ^{1 4}
Up to £250,000 (27 July to 30 June 2021)	Nil
Up to £180,000 (up to 26 July 2020 and from 1 July 2021)	Nil
£180,001 - £250,000	3.5%
£250,001 - £400,000	5%
£400,001 - £750,000	7.5%
£750,001 - £1,500,000	10%
Over £1,500,000	12%

1. Rate only applies for band (ie multiple rates can apply to one transaction).
2. Additional 3% charge applies for purchases of residential property valued at more than £40,000 where purchaser already has a residential property and is not replacing a main residence and to all purchases of residential property by non-natural persons. From 1 April 2021, a further 2% charge applies to non-UK resident purchasers.
3. 15% charge will apply to purchases of residential properties valued at over £500,000 by bodies corporate (largely companies); all collective investment schemes; all partnerships where one or more members are one of the above. There are exemptions from this higher rate for most businesses.
4. Additional 4% charge applies for purchases of residential property valued at more than £40,000 where purchaser already has a residential property and is not replacing a main residence and to all purchases of residential property by non-natural persons from 25 January 2019 in Scotland, from 22 December 2020 in Wales (both surcharge rates were previously 3%).

[MORE OVERLEAF](#)



LAND TAXES

COMMERCIAL FREEHOLD LAND AND BUILDINGS

ENGLAND AND NORTHERN IRELAND STAMP DUTY LAND TAX

Value	Rate ¹
Up to £150,000	Nil
£150,001 - £250,000	2%
Over £250,000	5%

SCOTTISH LAND AND BUILDINGS TRANSACTIONS TAX

Value	Rate ¹
Up to £150,000	Nil
£150,001 - £250,000	1%
Over £250,000	5%

WELSH LAND TRANSACTION TAX

Value	Rate ¹
Up to £225,000 ²	Nil
£225,001 ² - £250,000	1%
£250,001 - £1m	5%
Over £1m	6%

1. Rate only applies for band (ie multiple rates can apply to one transaction).
2. £150,000 for transactions before 22 December 2020.

COMMERCIAL LEASES

The tax charge on the grant of a lease is calculated as 1% of the net present value (NPV) of the rent due in respect of the lease, less an exemption. The NPV of a lease is calculated by taking the total rent payable over the life of the lease and discounting it by 3.5% a year.

ENGLAND AND NORTHERN IRELAND STAMP DUTY LAND TAX

NPV	Rate
Up to £150,000	Nil
£150,001 - £5,000,000	1%
Over £5,000,000	2%

SCOTTISH LAND AND BUILDINGS TRANSACTIONS TAX

NPV	Rate
Up to £150,000	Nil
£150,000 - £2,000,000	1%
Over £2,000,000 ¹	2%

1. For transactions on or after 7 February 2020.

WELSH LAND TRANSACTION TAX

NPV	Rates
Up to £225,000 ¹	Nil
£225,001 ¹ - £2,000,000	1%
Over £2,000,000	2%

1. £150,000 for transactions before 22 December 2020.





LAND TAXES

RESIDENTIAL LEASES

England and Northern Ireland ¹ SDLT	1% on net present value of rents above £125,000
Scotland ¹ LBTT	Generally exempt
Wales ¹ LTT	Nil

1. Premiums paid for grant or assignment of a lease are charged at same rates as freeholds.

ANNUAL TAX ON ENVELOPED DWELLINGS (ATED)

Property value ¹	2021/22 ²	2022/23 ²
£500,001 - £1,000,000	£3,700	£3,800
£1,000,001 - £2,000,000	£7,500	£7,700
£2,000,001 - £5,000,000	£25,300	£26,050
£5,000,001 - £10,000,000	£59,100	£60,900
£10,000,001 - £20,000,000	£118,600	£122,250
Over £20,000,000	£237,400	£244,750

- Charge applies to UK residential properties held by non-natural persons, subject to some reliefs and exemptions for buildings used for genuine commercial activities or charitable or public purposes.
- Charge for 2021/22 and 2022/23 based on value at 1 April 2017 or subsequent purchase price.





TAX SERVICES

CAPITAL ALLOWANCES

Our specialists have dual expertise and experience in both tax accounting and quantity surveying. Our services range from tax planning advice at the inception of projects through to the preparation of detailed capital allowances reports, claims and elections and negotiations with HMRC. [Contact](#)

CORPORATE TAX

BDO provides specialist corporate tax and business tax advice. Our expertise runs from advice on Senior Accounting Officer process, tax risk and strategy to tax compliance and reporting to R&D tax credits and Venture Capital tax reliefs. [Contact](#)

CORPORATE INTERNATIONAL

Our international tax teams work with you to manage effectively your worldwide tax costs and reporting. They advise clients on the full range of international issues from transfer pricing policies to withholding taxes and tax-efficient cross-border finance. We also advise on International VAT, employment taxes and international mobility issues for your staff. [Contact](#)

GLOBAL EMPLOYER SERVICES

Our Global Employer Services team is focused on the issues confronting employers today and delivers fast, accurate and practical advice. Our employment tax specialists will support you across a range of issues including employment tax, off-payroll labour, international assignments and short term business visitors, share plans and incentives and exit mechanisms. [Contact](#)

PARTNERSHIP TAX

Our specialist team deal with both the personal and business affairs of partnerships and LLPs, from international professional practices to private equity groups, surveyors, medical practices, family and investment partnerships. We provide a full range of advisory and compliance tax services for partnerships and their partners. [Contact](#)

PRIVATE CLIENT SERVICES

Our Private Client Services team work with high net worth and ultrahigh net worth individuals and families, business owners and family offices who are seeking an adviser to help them structure their domestic and international affairs in an efficient and compliant manner. We also provide assistance to advisers to private clients, working with trust companies, family offices, private banks and lawyers. [Contact](#)

REAL ESTATE AND CONSTRUCTION TAXES

We guide clients when buying, selling, developing and asset managing property portfolios. Our tax services cover tax structuring, SDLT and VAT, capital allowances, equity and debt financing, joint ventures and corporate streamlining. [Contact](#)

TAX SUPPORT FOR PROFESSIONALS

The BDO Tax Support for Professionals (TSP) service offers the premium tax support service to tax and legal professionals, practices and in-house tax teams, providing practical advice and solutions - not just answers to technical questions. The core TSP service includes a telephone support service and assistance with larger projects, across all taxes. [Contact](#)

TAX TECHNOLOGY AND PERFORMANCE ENGINEERING

The tax technology team have vast expertise working with a wide range of organisations in both the UK and globally across every sector. They'll work closely with a business to source data and design, map existing processes and document and implement an optimal tax process. They will then advise on and support the best possible use of technology so that your team can deliver all its functions as effectively and efficiently while adding tangible value to the business. [Contact](#)

VAT AND INDIRECT TAXES

As a transaction-based tax, VAT queries require a dynamic and quick solution. Our VAT and Indirect Tax team have specialist sector knowledge which aids in providing effective VAT solutions. We also advise on other indirect taxes such as Customs duty, gambling duties and insurance premium tax. [Contact](#)

TAX DISPUTE RESOLUTION

BDO has one of the largest dedicated tax dispute resolution teams in the UK. We bring extensive experience and expertise of handling tax disputes to bear in order to minimise the stress, disruption and costs of a tax dispute. We guide individuals and corporates through the process of reaching a solution with HMRC as effectively as possible. [Contact](#)

BDO UK

8 OFFICES **390** PARTNERS
7 OFFICES **6,130** STAFF

95% OF OUR CLIENTS
WOULD RECOMMEND US ¹

2020/2021 RESULTS:
REVENUES ² UP **11%** TO **£731m**

1. Client Listening Programme (2019)
2. Gross Revenues for BDO LLP



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