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Appendix A: 2025/26 Tables of tax rates and allowances

The current rates and allowances for income tax, corporation tax, capital gains tax, inheritance tax and other taxes are set out below.

Income tax rates on taxable incomes***

| | Non-savings | Savings | Dividends |
|--------------------------|-------------|---------|-----------|
| £0 – £2,000 | –* | 0%* | 0%** |
| £0 (or £2,000) – £37,700 | 20% | 20% | 8.75%** |
| £37,701 – £125,140 | 40% | 40% | 33.75%** |
| Over £125,140 | 45% | 45% | 39.35%** |

* 0% rate on savings only available up to £5,000 of savings income if non-savings income does not exceed this sum. In addition, a £1,000 personal savings allowance is available to basic rate taxpayers (£500 for higher rate taxpayers and nil for additional rate taxpayers).

**Dividend allowance of £500 (unchanged from 2024/25)

*** These rates apply in England, Wales and Northern Ireland only.

Scottish IT rates: £1–£2,827=19%, £2,828–£14,921=20%, £14,922–£31,092=21%, £31,093–£62,430=42%, £62,431–£125,140=45% over £125,140=48%

Personal income tax allowances

| | 2025/26 £ | 2024/25 £ | Increase £ |
|---|--------------|--------------|---------------|
| Income tax allowances: | | | |
| Personal allowance | 12,570 | 12,570 | 0 |
| Income limit: personal allowance | 100,000 | 100,000 | 0 |
| Transferrable tax allowance (married couples) | 1,260 | 1,260 | 0 |
| Dividend allowance | 500 | 500 | 0 |
| Personal savings allowance: | | | |
| Basic rate taxpayers | 1,000 | 1,000 | 0 |
| Higher rate taxpayers | 500 | 500 | 0 |
| Blind person's allowance | 3,130 | 3,070 | 60 |
| Student loan thresholds (9% repayment rate) | | | |
| Plan 1 (pre-Sept 2012) | 26,065 | 24,990 | 1,075 |
| Plan 2 (Sept 2012 to Aug 2023) | 28,470 | 27,295 | 1,175 |
| Plan 5 (post Sept 2023) | 25,000 | – | – |
| Postgraduate Loan (6% repayment rate) | 21,000 | 21,000 | 0 |

Car and fuel benefits in kind

(round reported CO₂ g/km down to find the correct percentage)

Company car benefit charge -

Table 1: For *non-hybrid* cars or where a *hybrid* car has CO₂ emissions more than 50g/km:

| CO ₂ g/km | Taxable % | | CO ₂ g/km | Taxable % | | CO ₂ g/km | Taxable % | |
|-------------------------|-----------|--------|-------------------------|-----------|--------|-------------------------|-----------|--------|
| | Petrol | Diesel | | Petrol | Diesel | | Petrol | Diesel |
| 0 | 3 | | 80 | 22 | 26 | 120 | 30 | 34 |
| 1 | 15 | 19 | 85 | 23 | 27 | 125 | 31 | 35 |
| 51 | 16 | 20 | 90 | 24 | 28 | 130 | 32 | 36 |
| 55 | 17 | 21 | 95 | 25 | 29 | 135 | 33 | 37 |
| 60 | 18 | 22 | 100 | 26 | 30 | 140 | 34 | 37 |
| 65 | 19 | 23 | 105 | 27 | 31 | 145 | 35 | 37 |
| 70 | 20 | 24 | 110 | 28 | 32 | 150 | 36 | 37 |
| 75 | 21 | 25 | 115 | 29 | 33 | 155+ | 37 | 37 |

Note - no Diesel supplement applies if car meets Euro standard 6d (RDE2) and car registration dates do not affect charge rate from 2022/23. Hybrid cars should use the petrol rates listed whether they are petrol/electric or diesel/electric hybrids.

Table 2: Fully electric or hybrid cars with CO₂ <51g/km (otherwise use above):

| CO ₂ g/km | Electric only mileage range | Taxable % |
|-------------------------|--------------------------------|-----------|
| 0 | | 3 |
| 1 to 50 | 130 + | 3 |
| 1 to 50 | 70 to 129 | 6 |
| 1 to 50 | 40 to 69 | 9 |
| 1 to 50 | 30 to 39 | 13 |
| 1 to 50 | < 30 | 15 |

| | £ |
|-----------------------------------|--------|
| Car fuel benefit charge | 28,200 |
| Van benefit charge | 4,020 |
| Zero emissions van benefit charge | 0 |
| Flat rate Van fuel benefit charge | 769 |

Approved mileage rates

| | Business Miles | Allowance rate per mile |
|---------------|----------------|-------------------------|
| Cars and vans | 0 – 10,000 | 45p |
| | 10,000+ | 25p |
| Motor cycles | | 24p |
| Bicycles | | 20p |

Excess payments over these rates are taxable. Shortfalls can be claimed as tax relief by the employee. If the employee carries another employee in their own car or van on a business journey, an additional tax-free payment of 5p per mile applies for each passenger.

Income tax reliefs and incentives: annual limits

| | 2025/26 £ | 2024/25 £ |
|--|--------------|--------------|
| Individual Savings Account (ISA) | 20,000 | 20,000 |
| Junior ISA | 9,000 | 9,000 |
| Lifetime ISA | 4,000 | 4,000 |
| Enterprise investment scheme (EIS) | 2,000,000 | 2,000,000 |
| Seed Enterprise investment scheme (SEIS) | 200,000 | 100,000 |
| Venture capital trust (VCT) | 200,000 | 200,000 |
| Social investment tax relief (SITR) | 1,000,000 | 1,000,000 |
| Pension scheme allowances: | | |
| Annual allowance | 60,000 | 60,000 |
| Money purchase annual allowance | 10,000 | 10,000 |
| Adjusted income limit | 260,000 | 260,000 |

Apprenticeship Levy

| | 2025/26 | 2024/25 |
|--|---------|---------|
| Apprenticeship Levy Allowance (per employer) | £15,000 | £15,000 |
| Apprenticeship Levy rate (gross employee earnings) | 0.5% | 0.5% |

National Insurance Contributions

| Item | 2025/26 | 2024/25 |
|---|---------|---------|
| Class 1: | | |
| Lower Earnings Limit - LEL (per week) | £125 | £123 |
| Primary (employees) Threshold (per week) | £242 | £242 |
| Primary (directors) Threshold (per annum) | £12,570 | £12,570 |
| Secondary (employers) Threshold (per week) | £96 | £175 |
| Upper Earnings Limit - UEL (per week - employees only) | £967 | £967 |
| Upper Secondary Threshold (per week - <21yr old) | £967 | £967 |
| (per week - <25yr old apprentices) | £967 | £967 |
| Employment allowance (per employer) | £5,000 | £5,000 |
| Employee's contributions (£242pw to £967pw +2% over £967pw) | 8% | 8% |
| Employer's Contribution Rates (all earnings over £96pw) | 15% | 13.8% |
| Class 1A and 1B | 15% | 13.8% |
| Class 3: Contribution (per week) (voluntary) | £17.75 | £17.45 |
| Class 4: Contributions - Upper Profits Limit | £50,270 | £50,270 |
| Contributions - Lower Profits Limit | £12,570 | £12,570 |
| Contribution Rate (£12,570pa - £50,270pa then 2% over £50,270pa) | 6% | 6% |

Tax credits:

Pension credit

| | £ |
|---|-----------|
| Standard Minimum income guarantee credit: (per week) | |
| Single | 227.10 |
| Couple | 346.60 |
| Capital: | |
| Amount disregard | 10,000.00 |
| Amount disregard - care homes | 10,000.00 |
| Deemed income: | |
| £1 per week for every £500 (or part thereof) in excess of these amounts | |

Capital taxes: Individuals

| | 2025/26 | 2024/25 | Increase |
|---|-----------|------------|------------|
| | £ | £ | £/% |
| Capital gains tax annual exempt amount | | | |
| Individuals, etc. | 3,000 | 3,000 | 0 |
| Capital gains tax standard basic rate | 18%* | 10%* | 0 |
| Capital gains tax standard higher rate | 24%* | 20%* | 0 |
| Business Asset Disposal/ | | | |
| Relief limit | 1 million | 1 million | 0 |
| Relief rate | 14% | 10% | 0 |
| Investors' Relief limit | 1 million | 10 million | -9 million |
| Investors' Relief rate | 14% | 10% | 0 |
| Inheritance tax threshold (each if couple/partner) | 325,000 | 325,000 | 0 |
| Residence nil rate band limit | 175,000 | 175,000 | 0 |
| Inheritance tax rate | 40% | 40% | 0 |
| Lower rate (10%+ of estate left to charity) | 36% | 36% | 0 |
| Stamp Duty/Stamp Duty Reserve Tax** | 0.5% | 0.5% | 0 |

* Rates changed for transactions occurring after 30 October 2024 following 2024 Autumn Budget. A charge at 32% applies in 25/26 (8% surcharge applied to each rate in 24/25) if gains relate to 'carried interest'

** Duty payable on share purchase over £1,000 only and rounded up to nearest £5

Capital allowances

| | 2025/26 | 2024/25 |
|------------------------------------|------------|------------|
| Plant and machinery: Main rate | 18% | 18% |
| Special rate | 6% | 6% |
| Annual investment allowance | £1,000,000 | £1,000,000 |
| Structures and Buildings Allowance | 3% | 3% |

Corporation tax, allowances and reliefs

| | 2025/26 | 2024/25 |
|---|---------|---------|
| Main Corporation Tax rate (>£250,000 profits) | 25% | 25% |
| Small profits rate (<£50,000 profits) | 19% | 19% |
| Marginal Relief standard fraction | 3/200 | 3/200 |
| R&D Intensive SME repayable credit | 14.5% | N/A |
| R&D Expenditure credit | 20% | 20% |
| Patent box | 10% | 10% |
| Film, High end TV and videogame tax relief | 39% | 39% |
| Diverted Profits Tax | 31% | 31% |
| Digital Service Tax | 2% | 2% |
| Bank Surcharge (Group allowance £100m) | 3% | 3% |
| Bank levy: 1.1.21 onwards – equity and LT liabs | 0.05% | 0.05% |
| ST liabs | 0.1% | 0.1% |

Corporation tax on chargeable gains: indexation allowance

Retail prices index (January 1987 = 100.0)

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|-------|-------|-------|--------------|-------|-------|-------|-------|-------|-------|-------|-------|
| 1982 | - | - | 79.44 | 81.04 | 81.62 | 81.85 | 81.90 | 81.90 | 81.85 | 82.26 | 82.66 | 82.51 |
| 1983 | 82.61 | 82.97 | 83.12 | 84.28 | 84.64 | 84.84 | 85.30 | 85.68 | 86.06 | 86.36 | 86.67 | 86.89 |
| 1984 | 86.84 | 87.20 | 87.48 | 88.64 | 88.97 | 89.20 | 89.10 | 89.94 | 90.11 | 90.67 | 90.95 | 90.87 |
| 1985 | 91.20 | 91.94 | 92.80 | 94.78 | 95.21 | 95.41 | 95.23 | 95.49 | 95.44 | 95.59 | 95.92 | 96.05 |
| 1986 | 96.25 | 96.60 | 96.73 | 97.67 | 97.85 | 97.79 | 97.52 | 97.82 | 98.30 | 98.45 | 99.29 | 99.62 |
| 1987 | 100.0 | 100.4 | 100.6 | 101.8 | 101.9 | 101.9 | 101.8 | 102.1 | 102.4 | 102.9 | 103.4 | 103.3 |
| 1988 | 103.3 | 103.7 | 104.1 | 105.8 | 106.2 | 106.6 | 106.7 | 107.9 | 108.4 | 109.5 | 110.0 | 110.3 |
| 1989 | 111.0 | 111.8 | 112.3 | 114.3 | 115.0 | 115.4 | 115.5 | 115.8 | 116.6 | 117.5 | 118.5 | 118.8 |
| 1990 | 119.5 | 120.2 | 121.4 | 125.1 | 126.2 | 126.7 | 126.8 | 128.1 | 129.3 | 130.3 | 130.0 | 129.9 |
| 1991 | 130.2 | 130.9 | 131.4 | 133.1 | 133.5 | 134.1 | 133.8 | 134.1 | 134.6 | 135.1 | 135.6 | 135.7 |
| 1992 | 135.6 | 136.3 | 136.7 | 138.8 | 139.3 | 139.3 | 138.8 | 138.9 | 139.4 | 139.9 | 139.7 | 139.2 |
| 1993 | 137.9 | 138.8 | 139.3 | 140.6 | 141.1 | 141.0 | 140.7 | 141.3 | 141.9 | 141.8 | 141.6 | 141.9 |
| 1994 | 141.3 | 142.1 | 142.5 | 144.2 | 144.7 | 144.7 | 144.0 | 144.7 | 145.0 | 145.2 | 145.3 | 146.0 |
| 1995 | 146.0 | 146.9 | 147.5 | 149.0 | 149.6 | 149.8 | 149.1 | 149.9 | 150.6 | 149.8 | 149.8 | 150.7 |
| 1996 | 150.2 | 150.9 | 151.5 | 152.6 | 152.9 | 153.0 | 152.4 | 153.1 | 153.8 | 153.8 | 153.9 | 154.4 |
| 1997 | 154.4 | 155.0 | 155.4 | 156.3 | 156.9 | 157.5 | 157.5 | 158.5 | 159.3 | 159.5 | 159.6 | 160.0 |
| 1998 | 159.5 | 160.3 | 160.8 | 162.6 | 163.5 | 163.4 | 163.0 | 163.7 | 164.4 | 164.5 | 164.4 | 164.4 |
| 1999 | 163.4 | 163.7 | 164.1 | 165.2 | 165.5 | 165.6 | 165.1 | 165.5 | 166.2 | 166.5 | 166.7 | 167.3 |
| 2000 | 166.6 | 167.5 | 168.4 | 170.1 | 170.7 | 171.1 | 170.5 | 170.5 | 171.7 | 171.6 | 172.1 | 172.2 |
| 2001 | 171.1 | 172.0 | 172.2 | 173.1 | 174.2 | 174.4 | 173.3 | 174.0 | 174.6 | 174.3 | 173.6 | 173.4 |
| 2002 | 173.3 | 173.8 | 174.5 | 175.7 | 176.2 | 176.2 | 175.9 | 176.4 | 177.6 | 177.9 | 178.2 | 178.5 |
| 2003 | 178.4 | 179.3 | 179.9 | 181.2 | 181.5 | 181.3 | 181.3 | 181.6 | 182.5 | 182.6 | 182.7 | 183.5 |
| 2004 | 183.1 | 183.8 | 184.6 | 185.7 | 186.5 | 186.8 | 186.8 | 187.4 | 188.1 | 188.6 | 189.0 | 189.9 |
| 2005 | 188.9 | 189.6 | 190.5 | 191.6 | 192.0 | 192.2 | 192.2 | 192.6 | 193.1 | 193.3 | 193.6 | 194.1 |
| 2006 | 193.4 | 194.2 | 195.0 | 196.5 | 197.7 | 198.5 | 198.5 | 199.2 | 200.1 | 200.4 | 201.1 | 202.7 |
| 2007 | 201.6 | 203.1 | 204.4 | 205.4 | 206.2 | 207.3 | 206.1 | 207.3 | 208.0 | 208.9 | 209.7 | 210.9 |
| 2008 | 209.8 | 211.4 | 212.1 | 214.0 | 215.1 | 216.8 | 216.5 | 217.2 | 218.4 | 217.7 | 216.0 | 212.9 |
| 2009 | 210.1 | 211.4 | 211.3 | 211.5 | 212.8 | 213.4 | 213.4 | 214.4 | 215.3 | 216.0 | 216.6 | 218.0 |
| 2010 | 217.9 | 219.2 | 220.7 | 222.8 | 223.6 | 224.1 | 223.6 | 224.5 | 225.3 | 225.8 | 226.8 | 228.4 |
| 2011 | 229.0 | 231.3 | 232.5 | 234.4 | 235.2 | 235.2 | 234.7 | 236.1 | 237.9 | 238.0 | 238.5 | 239.4 |
| 2012 | 238.0 | 239.9 | 240.8 | 242.5 | 242.4 | 241.8 | 242.1 | 243.0 | 244.2 | 245.6 | 245.6 | 246.8 |
| 2013 | 245.8 | 247.6 | 248.7 | 249.5 | 250.0 | 249.7 | 249.7 | 251.0 | 251.9 | 251.9 | 252.1 | 253.4 |
| 2014 | 252.6 | 254.2 | 254.8 | 255.7 | 255.9 | 256.3 | 256.0 | 257.0 | 257.6 | 257.7 | 257.1 | 257.5 |
| 2015 | 255.4 | 256.7 | 257.1 | 258.0 | 258.5 | 258.9 | 258.6 | 259.8 | 259.6 | 259.5 | 259.8 | 260.6 |
| 2016 | 258.8 | 260.0 | 261.1 | 261.4 | 262.1 | 263.1 | 263.4 | 264.4 | 264.9 | 264.8 | 265.5 | 267.1 |
| 2017 | 265.5 | 268.4 | 269.3 | 270.6 | 271.7 | 272.3 | 272.9 | 274.7 | 275.1 | 275.3 | 275.8 | 278.1 |

Note – no further indexation allowance will apply for disposals after 1 Jan 2018 – the Dec 2017 rate should be used for all subsequent sales.

VAT

| | after 1 April 2025 | after 1 April 2024 |
|------------------------------|--------------------|--------------------|
| Standard Rate | 20% | 20% |
| Reduced Rate* | 5% | 5% |
| Annual Registration Limit | £90,000 | £90,000 |
| De-registration Limit | £88,000 | £88,000 |
| VAT Fraction - standard rate | 1/6 | 1/6 |
| Maximum turnover to join: | | |
| Cash Accounting Scheme | £1,350,000 | £1,350,000 |
| Annual Accounting Scheme | £1,350,000 | £1,350,000 |
| Flat Rate Scheme (ex VAT) | £150,000 | £150,000 |

Stamp Duty Land Tax

| Value of property (£) | Stamp duty rate (%) |
|-------------------------------|-----------------------|
| <i>Residential property**</i> | <i>not buy to let</i> |
| 0 - 125,000 | 0* |
| 125,001 - 250,000 | 2* |
| 250,001 - 925,000 | 5* |
| 925,001 - 1.5m | 10* |
| remainder (over £1.5m) | 12* |

* 3% supplement on additional dwelling purchased over £40,000 and 2% surcharge for most non-UK residents for SDLT purposes.

** discount applies if first home - no SDLT up to £300,000 then 5% to £500,000

| Value of property (£) | Stamp duty rate (%) |
|---------------------------------|---------------------|
| <i>Non-residential property</i> | |
| up to 150,000 | 0 |
| 150,001 - 250,000 | 2 |
| over 250,000 | 5 |

Annual Tax on Enveloped Dwellings

| Value of property (£) | ATED charge (£) |
|-------------------------|-----------------|
| 0 - 500,000 | 0 |
| 500,000 - 1,000,000 | 4,450 |
| 1,000,001 - 2,000,000 | 9,150 |
| 2,000,001 - 5,000,000 | 31,050 |
| 5,000,001 - 10,000,000 | 72,700 |
| 10,000,001 - 20,000,000 | 145,950 |
| 20,000,000 | 292,350 |

Scottish Land and Buildings Transactions Tax

| Value of property (£) | LBTT rate % (>1 Apr 21) |
|--|-------------------------|
| <i>Residential property**</i> | |
| 0 - 145,000* | 0* |
| 145,001 - 250,000 | 2* |
| 250,001 - 325,000 | 5* |
| 325,001 - 750,000 | 10* |
| Over 750,000 | 12* |
| * 8% supplement on additional dwelling purchased priced at over £40,000 from 5 December 2024 (6% applied from 16 December 2022). | |
| ** LBTT relief for 1 st time purchasers up to £175,000. | |
| <i>Non-residential property (on or after 25 Jan 19)</i> | |
| 0 - 150,000 | 0 |
| 150,001 - 250,000 | 1 |
| over 250,000 | 5 |

Welsh Land Transaction Tax

| Value of property (£) | LTT rate % |
|---|------------|
| <i>Residential property*</i> | |
| 0 - 225,000 | 0 |
| 225,001 - 400,000 | 6 |
| 400,001 - 750,000 | 7.5* |
| 750,001 - 1,500,000 | 10* |
| Over 1,500,000 | 12* |
| * supplement on additional dwellings on a sliding scale from 5% to 17% (4% and 16% respectively before 11 December 2024). | |
| <i>Non-residential property</i> | |
| 0 - 225,000 | 0 |
| 225,001 - 250,000 | 1 |
| 250,001 - 1,000,000 | 5 |
| over 1,000,000 | 6 |

Environmental taxes

| | 2025/26 (2024/25) |
|---------------------------------------|-------------------|
| Landfill tax (England and NI*): | |
| Standard rate (per tonne) | £126.15 (£103.70) |
| Lower rate (inactive waste per tonne) | £4.05 (£3.30) |
| Aggregates levy (per tonne) | £2.08 (£2.03) |
| Climate Change Levy (main rates): | |
| Electricity and Natural Gas | 0.775p/kwh |
| LPG | 2.175p/kg |
| Plastic packaging tax | £223.69 per tonne |

* Landfill taxes in Scotland are set by the Scottish Parliament – they mirror the same rates as given here this year

Insurance Premium Tax

| | |
|---|-----|
| Standard Rate | 12% |
| Higher Rate (travel, appliances, some vehicles) | 20% |

Air Passenger Duty

| Band | Reduced rate (lowest class of travel) | Standard rate (other than lowest class of travel) | Higher rate |
|------------------------|---|---|-------------|
| Domestic | £7 | £14 | £84 |
| A (0–2000 miles) | £13 | £28 | £84 |
| B (2001–5500 miles) | £90 | £216 | £647 |
| C (>5500 miles) | £94 | £224 | £673 |

HMRC interest rates

| | Late Payment (%) | Repayment (%) |
|-----------------------------------|---------------------|------------------|
| All taxes (since 28/05/25) | 8.25 | 3.25 |
| Average Official rate for 2025/26 | 3.75% | |

(These rates change occasionally – see the HMRC website for details)

Personal benefit rates

| | 2025/26 | 2024/25 |
|--|------------------------|-------------|
| | £ | £ |
| Old State Pension (per week): | | |
| - Single Person (based on own NIC) | 176.45 | 169.50 |
| - Single Person (based on spouse's NIC) | 105.70 | 101.55 |
| - Non-contributory (over 80 pension) | 105.70 | 101.55 |
| New State Pension | 230.25 | 221.20 |
| Child Benefit (per week): | | |
| - First Eligible Child | 26.05 | 25.60 |
| - Each Extra Child | 17.25 | 16.95 |
| - Guardian allowance | 22.10 | 21.75 |
| Statutory Sick Pay (per week): | | |
| - normally receive £125 per week or more | 118.75 | 116.75 |
| Statutory Maternity Pay (per week): | | |
| Average Weekly Earnings of £125 or over | | |
| - Higher Weekly Rate (first 6 weeks) | 90% of weekly earnings | |
| - Standard Rate (remaining 33 weeks) | 187.18 | 184.43 |
| Statutory Paternity/Adoption Pay (per week) | 187.18 | 184.43 |
| Job Seekers Allowance (income based - per week): | | |
| - Single Person (over 25) | 92.05 | 90.50 |
| - Married Couple (both over 18) | 144.65 | 142.25 |
| National Living/Minimum Wage (per hour from Apr 25): | | |
| - ages 21 and over | 12.21 | 11.44 |
| - ages 18 to 20 (Development rate) | 10.00 | 8.60 |
| - ages <18 (Young worker rate) | 7.55 | 6.40 |
| - Apprentice rate (under 19 or in first year) | 7.55 | 6.40 |
| Employment & Support Allowance (per week): | | |
| - Single under 25 (first 13 weeks) | 72.90 | 71.70 |
| - Single 25 and over (first 13 weeks) | 92.05 | 90.50 |
| Universal Credit (per month): | | |
| - Single under 25 | 316.98 | 311.68 |
| - Single 25 and over | 400.14 | 393.45 |
| - Couple one at least over 25 | 628.10 | 617.60 |
| - Child element: | | |
| - First child (born > 6.5.17) | 339.00 | 333.33 |
| - Second/subsequent child | 292.81 | 287.92 |
| Benefit Cap (per annum) (inside Greater London totals in brackets) | | |
| - Single claimant (no children) | 14,753.00 | (16,967.00) |
| - Single claimant (children living with them) | 22,020.00 | (25,323.00) |
| - Couple (with or without children) | 22,020.00 | (25,323.00) |

These rates are selected from a complex list of benefits available based on personal circumstances and therefore are provided in basic outline only - and rates are subject to regular changes. For a full list of benefits see the www.gov.uk website.