

Fixed Rate Deductions: Unincorporated Businesses

Vehicle expenditure	Amount per mile
<i>Motorcars and goods vehicles</i>	
Up to 10,000 business miles	45p
Over 10,000 business miles	25p
<i>Motorcycles</i>	24p

Business use of home	
Hours worked per month	Amount per month
25 or more	£10
51 or more	£18
101 or more	£26

Private use of business premises	Disallowable
Number of occupants	amount per month
1	£350
2	£500
3 or more	£650

Individual Savings Accounts

Limits	2023/24	2024/25
Annual limit	£20,000	£20,000
Junior ISA annual limit	£9,000	£9,000
Lifetime ISA annual limit	£4,000	£4,000
Help to Buy ISA monthly limit	£200	£200

Investment Reliefs

	Investment limit	Income tax relief rate
Enterprise investment scheme ¹	£1,000,000	30%
Venture capital trusts	£200,000	30%
Seed enterprise investment scheme	£200,000	50%

Value Added Tax

Standard rate	20%
Reduced rate	5%
Registration threshold (from 1 April 2024)	£90,000 pa
Deregistration limit (from 1 April 2024)	£88,000 pa
Annual accounting scheme turnover limit	£1,350,000 pa
Cash accounting scheme turnover limit	£1,350,000 pa
Flat rate scheme turnover limit	£150,000 pa

¹ Investment limit is £2,000,000 if any amount over £1,000,000 is invested in knowledge-intensive companies.

Capital Allowances

Dredging	Rate %
(straight-line basis)	
Writing-down allowance	4

Know-how	
(reducing balance basis)	
Writing-down allowance	25

Mineral extraction	
(reducing balance basis)	
<i>Writing-down allowances</i>	
General	25
Acquisition of mineral asset	10

Patent rights	
(reducing balance basis)	
Writing-down allowance	25

Plant and machinery	
(reducing balance basis)	
Annual investment allowance – max £1,000,000 pa	100

<i>First-year allowances</i>	
New cars with CO ₂ emissions 0 g/km	100
New gas refuelling stations	100
New zero-emission goods vehicles	100
New assets for use in designated areas of enterprise zones (companies only)	100
New electric charge-point equipment	100
Full expensing (companies only)	
main rate expenditure	100
special rate expenditure	50
New assets for use in freeport or investment zone tax sites (companies only)	100

<i>Writing-down allowances</i>	
Main rate expenditure	18
Cars (other than low-emission cars)	6
Special rate expenditure (including integral features and thermal insulation)	6
Long-life assets	6

Research and development	
Allowance	100

Structures and buildings	
(straight-line basis)	
<i>Writing-down allowance</i>	
General	3
Freeport and investment zone tax sites	10

Registered Pension Schemes

Individual contributions	
Maximum tax-relievable contributions are the higher of:	
100% of taxable UK earnings; or	
£3,600 (where the scheme applies tax relief at source).	

2024/25	
Annual allowance	£60,000
Threshold income limit	£200,000
Adjusted income limit	£260,000
Minimum where income exceeds limit	£10,000
Lifetime allowance	n/a
Lump sum allowance	£268,275
Lump sum and death benefit allowance	£1,073,100

2023/24	
Annual allowance	£60,000
Threshold income limit	£200,000
Adjusted income limit	£260,000
Minimum where income exceeds limit	£10,000
Lifetime allowance	n/a

Unused annual allowance can be c/f for up to three years.

Tax Credits

Annual amounts 2024/25	£
Child tax credit	
Family element	545
Child element (for each child)	3,455
Disabled child element	4,170
Severely disabled child element	5,850

Working tax credit	
Basic element	2,435
Lone parent and couple element	2,500
30-hour element	1,015
Disability element	3,935
Severe disability element	1,705
Childcare element (up to 70% of costs)	Weekly
maximum eligible cost (1 child)	175
maximum eligible cost (2 or more)	300

Income thresholds	
Income threshold	7,955
eligible for child tax credit only	19,995
Withdrawal rate	41%
Income rise disregard	2,500
Income fall disregard	2,500

TAX FACTS

Spring Budget 2024



**Chartered
Institute of
Taxation.**

Income Tax Allowances

	2023/24	2024/25
	£	£
Personal allowance	12,570	12,570
Income limit	100,000	100,000
Transferable marriage allowance¹	1,260	1,260
Married couple's allowance¹ (relief at 10%)		
Either partner born before 6.4.1935	10,375	11,080
Income limit	34,600	37,000
Minimum where income exceeds limit	4,010	4,280
Blind person's allowance	2,870	3,070
Dividend allowance	1,000	500
Personal savings allowance		
Basic rate taxpayers	1,000	1,000
Higher rate taxpayers	500	500

Income Tax Rates

Taxable income £			
2023/24	2024/25	Rate %	Dividend rate %
0 – 37,700	0 – 37,700	20	8.75
37,701 – 125,140	37,701 – 125,140	40	33.75
Over 125,140	Over 125,140	45	39.35

Scottish taxpayers (non-savings, non-dividend income only)

Taxable income £			
2023/24	2024/25	Rate %	
0 – 2,162	0 – 2,306	19	
2,163 – 13,118	2,307 – 13,991	20	
13,119 – 31,092	13,992 – 31,092	21	
31,093 – 125,140	31,093 – 62,430	42	
n/a	62,431 – 125,140	45	
Over 125,140	n/a	47	
n/a	Over 125,140	48	

Welsh taxpayers. For 2023/24 and 2024/25, the Welsh rates and bands are the same as for the rest of the UK (outside Scotland).

A 0% starting rate for savings income only applies to the extent that such income falls within the first £5,000 of taxable income. If taxable non-savings income exceeds the limit, the starting rate does not apply. A 0% rate applies to savings income falling within the personal savings allowance. Income taxable at the starting rate for savings does not fall within the personal savings allowance.

A 0% rate applies to dividend income within the dividend allowance.

The trust rate of income tax is 45%. The dividend trust rate is 39.35%.

¹ Available for civil partners.

National Insurance Contributions

2024/25

Class 1 (Earnings related)

Employees

Weekly earnings

First £242	Nil
£242.01 – £967	8%
Over £967	2%

Employers

Weekly earnings

First £175	Nil
Over £175	13.8%

Employers' rates are reduced to 1.85% for married women with valid certificates of election but the 2% rate above £967 still applies. Rates are nil for employees over state pensionable age. Normal employers' contributions are still payable. Employers' rates for employees under 21, apprentices under 25 and eligible veterans are nil on earnings up to £967 per week, and for eligible employees in freeport and investment zone tax sites on earnings up to £481 per week.

Employment allowance

(per employer) – £5,000 a year.

Available only where the employer's NIC liability for the previous tax year was less than £100,000.

Class 1A and Class 1B – 13.8%

Class 2 (Self-employed) – Flat rate £3.45 a week (voluntary).

Small profits threshold (SPT) £6,725 a year.

No contributions due where profits above SPT.

Class 3 (Voluntary contributions) – £17.45 a week.

Class 4 (Self-employed) – 6% of profits between £12,570 and £50,270 a year. 2% of profits above £50,270 a year.

Inheritance Tax

	2023/24	2024/25
Nil-rate band ¹	£325,000	£325,000
Residence nil-rate band ¹	£175,000	£175,000
Rate of tax on excess	40% ²	40% ²
Chargeable lifetime transfers	20%	20%

Annual gifts of up to £3,000 per donor are exempt.

¹ Unused nil-rate band is transferable to spouse or civil partner.

² 36% where 10% or more of the net estate is left to charity.

Capital Gains Tax

Annual exempt amounts 2024/25	£
Individuals, disabled trusts and, for year of death and next two years, personal representatives	3,000
Trusts generally	1,500

Rates 2024/25

<i>Individuals: Standard rate</i>	10%
Higher rate	20%
<i>Gains on residential property</i>	18%/24%
<i>Gains on carried interest</i>	18%/28%
<i>Trustees and PRs (ordinary gains)</i>	20%
<i>Trustees and PRs (residential property gains)</i>	24%
<i>Gains to which business asset disposal relief applies¹</i>	10%
<i>Gains to which investors' relief applies²</i>	10%

Corporation Tax

Financial Year to	31/3/2024	31/3/2025
Main rate	25%	25%
Small profits rate	19%	19%
19% rate limit	£50,000	£50,000
marginal relief limit	£250,000	£250,000
marginal relief fraction	3/200	3/200
effective marginal rate	26.5%	26.5%

Stamp Taxes

Shares and marketable securities	0.5% ³
Transfers of land and buildings⁴	
Residential (on band of consideration)^{5,6,7,8}	
£0 – £250,000	0%
£250,001 – £925,000	5%
£925,001 – £1,500,000	10%
Over £1,500,000	12%
Non-residential (on band of consideration)	
£0 – £150,000	0%
£150,001 – £250,000	2%
Over £250,000	5%
Leases (Rent – on band of net present value)⁴	
Residential	
£0 – £250,000	0%
Over £250,000	1%
n/a	2%
Non-residential	
£0 – £150,000	0%
£150,001 – £5,000,000	1%
Over £5,000,000	2%
Freeport and investment zone special tax sites	
Qualifying purchases receive full SDLT relief.	

¹ Subject to lifetime limit on gains of £1 million.

² Subject to lifetime limit on gains of £10 million.

³ Rounded up to the nearest multiple of £5. Transactions of £1,000 or less exempt.

⁴ In Scotland land and buildings transaction tax. In Wales land transaction tax.

⁵ These residential bands apply until 31 March 2025.

⁶ Where the consideration exceeds £500,000 and the purchase is by – or by a partnership including – a company or collective investment scheme enveloping the property, the rate is 15% of the total consideration.

⁷ Where the consideration is no more than £625,000 and the purchaser is a first-time buyer, the 0% band is increased to £425,000 (and the 5% rate applies to any consideration above £425,000 up to £625,000). These amounts apply until 31 March 2025.

⁸ Rates are increased by 3 percentage points for certain purchases, including purchases of additional residential properties by individuals. Transactions under £40,000 are excluded. Rates are increased by 2 percentage points for purchases by non-UK residents.

Car Benefit

2024/25	CO ₂ emissions g/km	Electric range (miles)	% of list price	CO ₂ emissions g/km	% of list price
0	N/A	2	95–99	24	
1–50	>130	2	100–104	25	
1–50	70–129	5	105–109	26	
1–50	40–69	8	110–114	27	
1–50	30–39	12	115–119	28	
51–54	<30	14	120–124	29	
55–59		15	125–129	30	
60–64		16	130–134	31	
65–69		17	135–139	32	
70–74		18	140–144	33	
75–79		19	145–149	34	
80–84		20	150–154	35	
85–89		21	155–159	36	
90–94		22	160 or more	37	

4% supplement (up to max 37%) applies to diesel cars which do not meet the RDE2 standard.

Car Fuel Benefit

For 2024/25, car fuel benefit is calculated by applying the above car benefit percentage to a figure of £27,800.

Tax-Free Mileage Allowances

Employee's own vehicle	2024/25
<i>Motorcars and vans</i>	
Up to 10,000 business miles	45p
Over 10,000 business miles	25p
Each passenger making same trip	5p
<i>Motorcycles</i>	24p
<i>Cycles</i>	20p

Advisory fuel rates for company car from 1 March 2024

Cylinder capacity	Petrol	Diesel	LPG
0–1,400 cc	13p	–	11p
0–1,600 cc	–	12p	–
1,401 cc – 2,000 cc	15p	–	13p
1,601 cc – 2,000 cc	–	14p	–
Over 2,000 cc	24p	19p	21p

Advisory electric rate for fully electric cars is 9p per mile.