


Tax

A pocket guide
2026/27



Income Tax

Main personal allowances and reliefs	26/27	25/26
Personal allowance*	£12,570	£12,570
Marriage/civil partners' transferable allowance	£1,260	£1,260
Married couple's/civil partners' allowance at 10% [†] (if at least one born before 6/4/35)		
maximum	£11,700	£11,270
minimum	£4,530	£4,360
Blind person's allowance	£3,250	£3,130
Rent-a-room relief	£7,500	£7,500
Property allowance and trading allowance (each)	£1,000	£1,000

*Personal allowance reduced by £1 for every £2 of adjusted net income over £100,000

[†]Reduced by £1 for every £2 of adjusted net income over £39,200 (£37,700 for 2025/26), until the minimum is reached.

UK (excl Scotland) non-dividend, non-savings income above personal allowance	26/27	25/26
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20% basic rate on taxable income up to	£37,700	£37,700
40% higher rate on next slice of income over	£37,700	£37,700
45% additional rate on income over	£125,140	£125,140

Scottish taxpayers non-dividend, non-savings income above personal allowance	26/27	25/26
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19% starter rate on taxable income up to	£3,967	£2,827
20% basic rate on next slice up to	£16,956	£14,921
21% intermediate rate on next slice up to	£31,092	£31,092
42% higher rate on next slice up to	£62,430	£62,430
45% advanced rate on next slice up to	£125,140	£125,140
48% top rate on income over	£125,140	£125,140

All UK taxpayers	26/27	25/26
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Starting rate at 0% on band of savings income up to**	£5,000	£5,000
Personal savings allowance at 0%: Basic rate	£1,000	£1,000
Higher rate	£500	£500
Additional rate	£0	£0
Dividend allowance at 0%: All individuals	£500	£500
Tax rates on dividend income: Basic rate	10.75%	8.75%
Higher rate	35.75%	33.75%
Additional rate	39.35%	39.35%
Trusts: Income exemption generally	£500	£500
Rate applicable to trusts: Dividends	39.35%	39.35%
Other income	45%	45%

**Not available if taxable non-savings income exceeds the starting rate band

High Income Child Benefit Charge: 1% of benefit per £200 of adjusted net income between £60,000 and £80,000

State Pensions

	Annual	Weekly
New state pension	£12,547.60	£241.30
Basic state pension – single person*	£9,614.80	£184.90
Basic state pension – spouse/civil partner*	£5,759.00	£110.75

*State pension age reached before 6/4/16

Registered Pensions

	26/27	25/26
Lump sum and death benefit allowance	£1,073,100	£1,073,100
Lump sum allowance	£268,275	£268,275
Money purchase annual allowance	£10,000	£10,000
Annual allowance*	£60,000	£60,000

Annual allowance charge on excess is at applicable tax rate(s) on earnings

*Reduced by £1 for every £2 of adjusted income over £260,000 to a minimum of £10,000, subject to threshold income being over £200,000

Tax Incentivised Investments

Total Individual Savings Account (ISA) limit, excluding Junior ISAs (JISAs)	26/27	25/26
	£20,000	£20,000
Lifetime ISA	£4,000	£4,000
JISA/Child Trust Fund	£9,000	£9,000
Venture Capital Trust (VCT) up to £200,000	20%	30%
Enterprise Investment Scheme (EIS) at 30%*	£2,000,000	£2,000,000
EIS eligible for CGT deferral relief	No limit	No limit
Seed EIS (SEIS) at 50%	£200,000	£200,000
SEIS CGT reinvestment relief	50%	50%

*Above £1,000,000 investment must be in knowledge-intensive companies

Capital Gains Tax

	26/27	25/26
Annual exemption: Individuals, estates, etc	£3,000	£3,000
Trusts generally	£1,500	£1,500
Below UK higher rate band Tax rate	18%	18%
Within UK higher and additional rate bands		
Tax rate	24%	24%
Carried interest (all tax bands) Tax rate	N/A	32%
Trusts and estates Tax rate	24%	24%

Business Asset Disposal Relief

18% (14% 25/26) on lifetime limit of £1,000,000 for trading businesses and companies (minimum 5% participation) held for at least 2 years

National Insurance Contributions

Class 1	Employee	Employer
NICs rate	8%	15%
No NICs for employees generally on the first	£242 pw	£96 pw
No NICs for younger employees* on the first	£242 pw	£967 pw
NICs rate charged up to	£967 pw	No limit
2% NICs on earnings over	£967 pw	N/A

**No employer NICs on the first £967 pw for employees generally under 21 years, apprentices under 25 years and veterans in first 12 months of civilian employment. No employer NICs on the first £481 pw for employees at freeports and investment zones in the first 36 months of employment*

Employment allowance £10,500

Per business – not available if sole employee is a director

Class 1A Employer

On most employees' and directors' taxable benefits 15%

Class 2 Self-employed Flat rate per week (voluntary) £3.65 (£189.80 pa)

Small profits threshold £7,105

Class 4 Self-employed On annual profits of £12,570 to £50,270: 6%

Over £50,270: 2%

Class 3 Voluntary flat rate per week £18.40 (£956.80 pa)

Car Benefits

Taxable amount based on original list price and CO₂ emissions in g/km.

Zero emission cars 4%

Petrol and diesel hybrids with CO₂ emissions 1–50g/km

Range – electric-only miles	< 30	30–39	40–69	70–129	130+
	16%	14%	10%	7%	4%

All non-diesel cars over 50g/km CO₂ 51–54 55 & over

17% 18%*–37%

**Increased by 1% increments up to the maximum 37% (at 155g/km and over)*

Diesels not meeting RDE2: add 4% to non-diesel rates, up to 37%

Fuel benefit – taxable amount for private use 26/27 25/26

CO₂ % charge used for car benefit multiplied by £29,200 £28,200

Vans – For Private Use

	26/27	25/26
Zero emission: chargeable amount	Nil	Nil

Other vans: chargeable amount	£4,170	£4,020
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Fuel: chargeable amount	£798	£769
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Tax-Free Business Mileage Allowance – Own Vehicle

Cars and vans first 10,000 miles	45p per mile	then 25p per mile
Qualifying passenger	5p per mile	
Motorcycles	24p per mile	Bicycles 20p per mile

Corporation Tax

Year to 31/3/27 and 31/3/26 Profits	Effective rate	Diverted profits
£0–£50,000	19.0%	} 31%
£50,001–£250,000	26.5%	
£250,001 and above	25.0%	
Loans to participants	33.75%	

Stamp Duties And Property Transaction Taxes

Stamp Duty and SDRT*: Stocks and marketable securities 0.5%

*0% SDRT for transfers of newly UK listed securities from 27 November 2025

Additional residential and all corporate residential properties

£40,000 or more – add 5% to SDLT rates, 8% to LBTT and 5% to most LTT rates

England & N Ireland – Stamp Duty Land Tax (SDLT) on slices of value

Residential property	%	Commercial property [†]	%
Up to £125,000	0	Up to £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 buyers: 0% on first £300,000 for properties up to £500,000

Non-resident purchasers: 2% surcharge on properties £40,000 or more

Residential properties bought by companies etc over £500,000: 17% of total consideration, subject to certain exemptions

Scotland – Land and Buildings Transaction Tax (LBTT) on slices of value

Residential property	%	Commercial property [†]	%
Up to £145,000	0	Up to £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 buyers: 0% on the first £175,000

Wales – Land Transaction Tax (LTT) on slices of value

Residential property	%	Commercial property [†]	%
Up to £225,000	0	Up to £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		

[†]0% for freeport and investment zone qualifying property

Inheritance Tax

	26/27 and 25/26	
Nil-rate band*/residence nil-rate band*†	£325,000/£175,000	
Rate of tax on excess/if at least 10% net estate left to charity	40%/36%	
Lifetime transfers to and from certain trusts	20%	
Non-long-term resident spouse/civil partner exemption	£325,000	
<i>*Up to 100% of the unused proportion can be claimed on the surviving spouse's/civil partner's death</i>		
<i>†Estates over £2,000,000: reduced by 50% of the excess over £2,000,000</i>		
Reliefs	Businesses, unlisted shares, some farms	AIM shares Certain other assets
26/27	100% up to a maximum of 2,500,000*, with 50% thereafter	50% 50%
25/26	100%	100% 50%
<i>*Up to 100% of the unused proportion can be claimed on the surviving spouse's/civil partner's death</i>		
Annual exempt gifts of:	£3,000 per donor	£250 per donee
Tapered tax charge on lifetime gifts between 3 and 7 years of death		
Years 0–3 full 40% rate, then 8% less for each year until 0% at 7 or more years.		

Main Capital And Other Allowances

Plant & machinery (P&M) 100% annual investment allowance (1st year)	£1,000,000		
P&M allowance for companies (1st year)*	100%		
Special rate P&M allowance for companies (1st year)*	50%		
P&M allowance for all businesses (1st year) from 1 January 2026*	40%		
P&M**	14%		
Patent rights and know-how**	25%		
Special rate P&M e.g. long-life assets and integral features of buildings**	6%		
Structures and buildings (straight line)†	3%		

Motor cars

CO ₂ emissions of g/km	0*	1–50	Over 50
Capital allowance	100% first year	18% pa**	6% pa**

**New and unused only **Annual reducing balance*

†10% for freeports and investment zones

Research and Development (R&D)

Capital expenditure	100%		
R&D merged scheme	20%		
R&D intensive SME payable credit	14.5%		
R&D intensive SME intensity ratio	30%		

Value Added Tax

Standard rate	20%	Domestic fuel	5%
Installation of energy saving materials (except Northern Ireland)	0%		
Registration level	£90,000	Deregistration	£88,000
Flat rate scheme turnover limit	£150,000		
Cash and annual accounting schemes turnover limit	£1,350,000		

Main Due Dates For Tax Payments

Income tax, NICs and capital gains tax – Self assessment

31 Jan in tax year } Following 31 July }	Normally 50% of previous year's income tax (less tax deducted at source) and class 4 NICs
Following 31 Jan	Balance of income tax, class 4 NICs and CGT, plus class 2 NICs paid voluntarily

Inheritance tax

On death:	Normally 6 months after end of month of death
Lifetime transfer 6 April–30 September:	30 April in following year
Lifetime transfer 1 October–5 April:	6 months after end of month of transfer

Capital gains tax – residential UK property

Report and pay within 60 days of completion of conveyance of the property

Corporation tax – Self assessment

- Profits under £1,500,000: 9 months + 1 day after end of accounting period
- Profits £1,500,000–£20,000,000: normally payable in 7th, 10th, 13th and 16th months after start of the accounting period
- Profits over £20,000,000: normally payable in 3rd, 6th, 9th and 12th months after start of the accounting period
- Growing companies: no instalments where profits are £10,000,000 or less and the company was not a large company for the previous year.

Social Security Benefits

Weekly rates for 2026/27

Statutory Pay Rates

Based on minimum average earnings of at least £129 pw (other than for Statutory Sick Pay):

Statutory Sick Pay £123.25 standard rate

Statutory Maternity Pay/Statutory Adoption Pay

First 6 weeks – 90% of average weekly pay

Next 33 weeks – 90% of average weekly pay up to £194.32

Statutory Paternity Pay 90% of average weekly pay up to £194.32

Shared Parental Pay

Up to 37 weeks: 90% of average weekly pay up to £194.32

Child Benefit (see 'Income Tax – High Income Child Benefit Charge')

First or only child	£27.05	Each subsequent child	£17.90
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Scottish Child Payment

For certain benefit claimants, per child under 16	£28.20
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National Living Wage (NLW)/National Minimum Wage (NMW)

Year to 31/3/27	NLW	NMW	NMW
Aged	21 and over	18–20	Under 18/apprentice
£/hour	£12.71	£10.85	£8.00



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