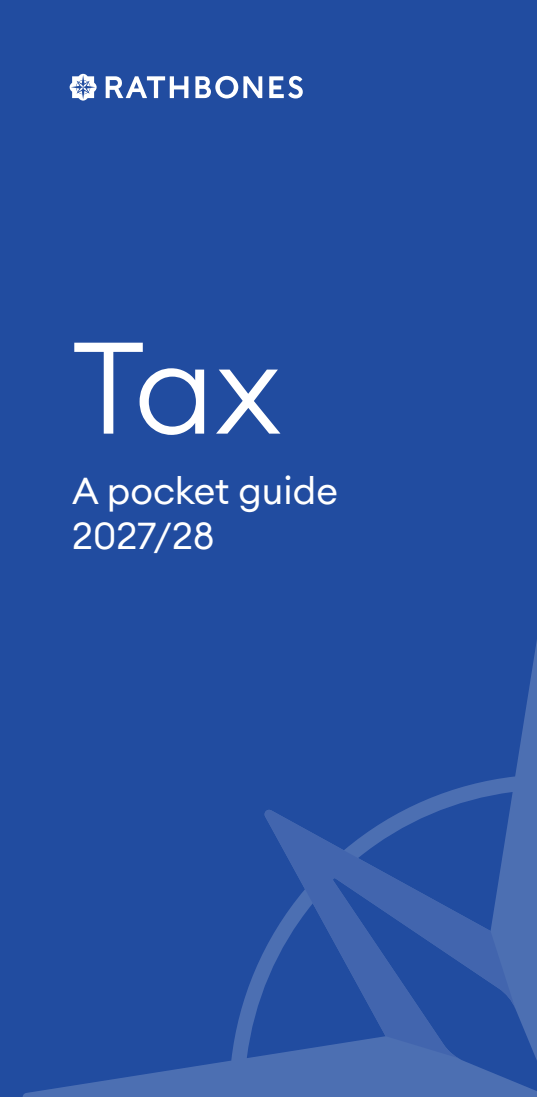
RATHBONES

Tax

A pocket guide 2027/28



Income Tax

Main personal allowances and reliefs	27/28	26/27
Personal allowance*	£12,570	£12,570
Marriage/civil partners' transferable allowance	£1,260	£1,260
Blind person's allowance	£3,370	£3,250
Rent-a-room relief	£7,500	£7,500
Property allowance	£1,000	£1,000
Trading allowance	£3,000	£1,000

**Reduced by £1 for every £2 of adjusted net income over £100,000. For 27/28 the pension tax allowance will be available to state pensioners with total income of less than £13,319*

UK taxpayers excluding Scottish taxpayers' non-dividend, non-savings income	27/28	26/27
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**	27/28	26/27
19% starter rate on taxable income up to	TBA	£3,967
20% basic rate on next slice up to	TBA	£16,956
21% intermediate rate on next slice up to	TBA	£31,092
42% higher rate on next slice up to	TBA	£62,430
45% advanced rate on next slice up to	TBA	£125,140
48% top rate on income over	TBA	£125,140

***Scottish Budget will be announced on 3 December 2026*

All UK taxpayers		27/28	26/27
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
Tax rates on savings and property† income:	Basic rate	24%	20%
	Higher rate	44%	40%
	Additional rate	49%	45%
Dividend allowance at 0%:	All individuals	£500	£500
Tax rates on dividend income:	Basic rate	10.75%	10.75%
	Higher rate	35.75%	35.75%
	Additional rate	39.35%	39.35%
Trusts: Income exemption generally		£500	£500
Rate applicable to trusts:	Dividends	39.35%	39.35%
	Savings and property† income	49%	45%
	Other income	45%	45%

[∞]Not available if taxable non-savings income exceeds the starting rate band
[†]Property rates apply to England, Wales and Northern Ireland. Scottish property rates to be announced

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	£13,036.40	£250.70
Basic state pension – single person*	TBA	TBA
Basic state pension – spouse/civil partner*	TBA	TBA

**State pension age reached before 6/4/16*

Registered Pensions

	27/28	26/27
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

	27/28	26/27
Total Individual Savings Account (ISA) limit, excluding Junior ISAs (JISAs)	£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%	20%
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

	27/28	26/27
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%
Trusts and estates Tax rate	24%	24%

Business Asset Disposal Relief 18% on lifetime limit of £500,000 (£1,000,000 in 2026/27) for trading businesses and companies

Founders' Relief 10% on lifetime limit of £10,000,000 for qualifying founders of high growth companies

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) £3.80 (£197.60 pa)

Small profits threshold £7,355

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 £19.05 (£990.60 pa)

Car Benefits

Taxable amount based on original list price and CO_2 emissions in g/km.

Zero emission cars 5%

Petrol and diesel hybrids with CO_2 emissions 1–50g/km

Range – electric-only miles	< 30	30–39	40–69	70–129	130+
	16%	14%	12%	8%	5%

All non-diesel cars over 50g/km CO_2	51–54	55 & over
	17%	18%*–37%

**Increased by 1% increments up to the maximum 37% (at 160g/km and over)*

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

Fuel benefit – taxable amount for private use	27/28	26/27
CO_2 % charge used for car benefit multiplied by	£30,200	£29,200

Vans – For Private Use

	27/28	26/27
Zero emission: chargeable amount	Nil	Nil
Other vans: chargeable amount	£4,310	£4,170
Fuel: chargeable amount	£825	£798

Tax-Free Business Mileage Allowance – Own Vehicle

Cars and vans first 10,000 miles	55p per mile	then 35p per mile
Qualifying passenger	5p per mile	
Motorcycles	24p per mile	Bicycles 20p per mile

Corporation Tax

Year to 31/3/28 and 31/3/27 Profits	Effective rate	Diverted profits
£0–£50,000	19.0%	
£50,001–£250,000	26.5%	31%*
£250,001 and above	25.0%	

Loans to participators 35.75%

**Repealed for accounting periods beginning on or after 1/1/2026*

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 for three years from date of issue*

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		

†*0% for freeport and investment zone qualifying property in England only*

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*

***As of 28/10/26 prior to Scottish and Welsh Budgets*

Inheritance Tax

	27/28 and 26/27
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

Reliefs:

Businesses, unlisted shares, some farms	AIM shares	Certain other assets
100% up to a maximum of £2,500,000*, with 50% thereafter	50%	50%

**Up to 100% of the unused proportion can be claimed on the surviving spouse's/civil partner's death*

†Estates over £2,000,000: reduced by 50% of the excess over £2,000,000

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 1/1/2027	50%
P&M**	12%
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	0–50	Over 50
Capital allowance	12% 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)			5%
Registration level	£90,000	Deregistration	£88,000
Flat rate scheme turnover limit			£150,000
Cash and annual accounting schemes turnover limit			£1,350,000

**0% for domestic electricity to 1/7/2027*

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

2027/28 MTD Updates due: 7 August 2027, 7 November 2027, 7 February 2028, 7 May 2028

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 2027/28

Statutory Pay Rates

Based on minimum average earnings of at least TBA pw (except Statutory Sick Pay):

Statutory Sick Pay TBA 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 TBA

Statutory Paternity Pay 90% of average weekly pay up to TBA

Shared Parental Pay

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

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

First or only child £28.00 Each subsequent child £18.55

Scottish Child Payment

For certain benefit claimants, per child under 16 TBA

National Living Wage (NLW)/National Minimum Wage (NMW)

Year to 31/3/28	NLW	NMW	NMW
Aged	21 and over	18–20	Under 18/apprentice
£/hour	£13.21	£11.27	£8.31

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