

Property Taxes

Stamp Duty Land Tax (SDLT), Land and Buildings Transaction Tax (LBTT) and Land Transaction Tax (LTT) from 1 April 2021

The Welsh authorities have not yet announced the rates of LTT for 2022/23

Residential property (1st property only)

SDLT - England & NI £000	2022/23 Rate	LBTT - Scotland £000	2022/23 Rate	LTT - Wales £000	2021/22 Rate
Up to 125	Nil	Up to 145	Nil	Up to 180	Nil
125 - 250	2%	145 - 250	2%	180 - 250	3.5%
250 - 925	5%	250 - 325	5%	250 - 400	5.0%
925 - 1,500	10%	325 - 750	10%	400 - 750	7.5%
Over 1,500	12%	Over 750	12%	750 - 1,500	10.0%
				Over 1,500	12.0%

A supplement applies for all three taxes where an additional residential property is purchased for more than £40,000 (unless replacing a main residence). It is also payable by all corporate purchasers. The rate is 3% (LBTT and LTT: 4%) of the total purchase price.

For SDLT:

- First-time buyers purchasing a property of up to £500,000 pay a nil rate on the first £300,000 of the purchase price.

- A 2% supplement applies where the property is bought by a non-UK resident.

- A rate of 15% may apply to the total purchase price, where the property is valued above £500,000 and purchased by a 'non-natural person' (e.g. a company).

For LBTT, first-time buyer relief increases the nil rate band to £175,000.

Non-residential or mixed use property

SDLT - England & NI	2022/23 Rate	LBTT - Scotland £000	2022/23 Rate	LTT - Wales £000	2021/22 Rate
Up to 150	Nil	Up to 150	Nil	Up to 225	Nil
150 - 250	2%	150 - 250	1%	225 - 250	1%
Over 250	5%	Over 250	5%	250 - 1,000	5%
				Over 1,000	6%

VAT

Standard rate (1/6 of VAT-inclusive price) 20%

Tourism and hospitality sector reduced rate - from 1/10/21-31/3/22 12.5%

Registration level - taxable turnover £85,000 per annum

Deregistration level - taxable turnover £83,000 per annum

National Minimum Wage

National Minimum Wage (rates per hour)	From 1/04/22	From 1/04/21
Aged 23 and over (National Living Wage)	£9.50	£8.91
Aged 21 - 22	9.18	8.36
Aged 18 - 20	6.83	6.56
Aged 16 - 17	4.81	4.62
Apprentices	4.81	4.30

Inheritance Tax

	2022/23	2021/22
Nil rate band (NRB)*	£325,000	£325,000
RNRB residential enhancement (RNRB)†**	175,000	175,000
Tax rate on death**	40%	40%
Tax rate on lifetime transfers to most trusts	20%	20%

*Up to 100% of the proportion of a deceased spouse's/civil partner's unused NRB and RNRB band may be claimed to increase the current NRB and RNRB when the survivor dies.

†RNRB is available for transfers of a main residence to (broadly) direct descendants. It tapers away at the rate of £1 for every £2 of estate value above £2m.

**Rate reduced to 36% if at least 10% of the relevant estate is left to charity. Unlimited exemption for transfers between spouses/civil partners, except if UK domiciled transferor and foreign domiciled transferee, where maximum exemption £325,000.

100% Business Property Relief (BPR) for all shareholdings in qualifying unquoted trading companies, qualifying unincorporated trading.

Annual exemptions for lifetime gifts include £3,000 per donor and £250 per recipient.

Key dates and deadlines

Self Assessment payment dates

	2022/23	2021/22
1st payment on account	31 January 2023	2022
2nd payment on account	31 July 2023	2022
Balancing payment	31 January 2024	2023
Capital Gains Tax*†	31 January 2024	2023

*UK residential property: CGT due within 60 days of completion. For non-UK residents, this applies for all UK land and buildings.

Other payment dates

Class 1A NIC	19 July 2023	2022
Class 1B NIC	19 October 2023	2022

Corporation Tax is due 9 months and 1 day from the end of the accounting period, unless a 'large' company paying by quarterly instalments.

2021/22 filing deadlines

Issue P60s to employees	31 May 2022
P11D, P11D(b)	6 July 2022
Self Assessment tax return (SATR) paper version	31 October 2022
Online SATR if outstanding tax to be included in 2023/24 PAYE code (if under £3,000)	30 December 2022

Online SATR 31 January 2023

A CGT return is due within 60 days of completion of sale of UK land and buildings by a non-resident and of sale of UK residential property with a tax liability by a UK resident.

David Allen

Tax

Tax Guide 2022/23

Dalston

Dalmar House,
Barras Lane Estate,
Dalston, Carlisle
CA5 7NY

Tel: 01228 711888

Penrith

3 Hobson Court,
Penrith 40 Business Park,
Penrith
CA11 9GQ

Tel: 01768 877000

Dumfries

51 Newall Terrace,
Dumfries
DG1 1LN

Tel: 01387 270340

Workington

Prosper House,
Regents Court,
Guard Street, Workington
CA14 4EW

Tel: 01900 878000

mail@david-allen.co.uk • david-allen.co.uk



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david-allen.co.uk

Income Tax

Allowances	2022/23	2021/22
Personal Allowance (PA)*	£12,570	£12,570
Marriage Allowance†	1,260	1,260
Blind Person's Allowance	2,600	2,520
Rent a room relief**	7,500	7,500
Trading income**	1,000	1,000
Property income**	1,000	1,000

*PA is withdrawn at £1 for every £2 by which 'adjusted income' exceeds £100,000. There is no allowance given above £125,140.

†The part of the PA that is transferable to a spouse or civil partner who is not a higher or additional rate taxpayer.

** If gross income exceeds it, the limit may be deducted instead of actual expenses.

Rate bands	2022/23	2021/22
Basic rate band (BRB)	£37,700	£37,700
Higher rate band (HRB)	37,701 – 150,000	37,701 – 150,000
Additional rate	over 150,000	over 150,000
Personal Savings Allowance (PSA)		
– Basic rate taxpayer	1,000	1,000
– Higher rate taxpayer	500	500
Dividend Allowance (DA)	2,000	2,000

BRB and additional rate threshold are increased by personal pension contributions (up to permitted limit) and Gift Aid donations.

Tax rates	2022/23			2021/22		
Rates differ for General, Savings and Dividend income within each band:						
	G	S	D	G	S	D
Basic	20%	20%	8.75%	20%	20%	7.5%
Higher	40%	40%	33.75%	40%	40%	32.5%
Additional	45%	45%	39.35%	45%	45%	38.1%

General income (salary, pensions, business profits, rent) usually uses personal allowance, basic rate and higher rate bands before savings income (interest). Scottish taxpayers are taxed at different rates on general income (see below).

To the extent that savings income falls in the first £5,000 of the basic rate band, it is taxed at nil rather than 20%.

The PSA taxes interest at nil, where it would otherwise be taxable at 20% or 40%.

Dividends are normally taxed as the 'top slice' of income. The DA taxes the first £2,000 of dividend income at nil, rather than the rate that would otherwise apply.

Income Tax – Scotland	2022/23			2021/22		
Starter rate	19%	£2,162	£2,097			
Basic rate	20%	2,163 – 13,118	2,098 – 12,726			
Intermediate rate	21%	13,119 – 31,092	12,727 – 31,092			
Higher rate	41%	31,093 – 150,000	31,093 – 150,000			
Top rate	46%	over 150,000	over 150,000			

The Scottish rates and bands do not apply for savings and dividend income, which are taxed at normal UK rates.

High Income Child Benefit Charge (HICBC)

1% of child benefit for each £100 of adjusted net income between £50,000 and £60,000.

Pensions

Registered pensions	2022/23	2021/22
Lifetime allowance (LA)	£1,073,100	£1,073,100
Annual allowance (AA)*	40,000	40,000

Annual relievable pension inputs are the higher of earnings (capped at AA) or £3,600.

*Usually tapered down, to a minimum of £4,000, when adjusted income exceeds £240,000.

State Pension (per week)	2022/23	2021/22
Old State Pension	£141.85	£137.60
New State Pension†	185.15	179.60

†Applies to those reaching state retirement age after 5 April 2016.

Annual Investment Limits

	2022/23	2021/22
Individual Savings Account (ISA)		
– Overall limit	£20,000	£20,000
– Lifetime ISA	4,000	4,000
Junior ISA	9,000	9,000
EIS – 30% relief	2,000,000	2,000,000
Seed EIS (SEIS) – 50% relief	100,000	100,000
Venture Capital Trust (VCT) – 30% relief	200,000	200,000

National Insurance Contributions

Class 1 (Employees)	Employee	Employer
Main NIC rate	13.25%	15.05%
No NIC on first	£190pw	£175pw
Main rate charged up to*	£967pw	no limit
2% rate on earnings above	£967pw	N/A
Employment allowance per business**	N/A	£4,000

*Nil rate of employer NIC on earnings up to £967pw for employees aged under 21 and apprentices aged under 25.

**Some businesses do not qualify, including certain sole director companies and employers who have an employer's Class 1 NIC liability of £100,000 or more for 2021/22.

Employer contributions (at 15.05%) are also due on most taxable benefits (Class 1A) and on tax paid on an employee's behalf under a PAYE settlement agreement (Class 1B).

Class 2 (Self employed)	
Flat rate per week	£3.15
Small profits threshold	£6,725

National Insurance Contributions (continued)

Class 3 (Voluntary)	
Flat rate per week	£15.85
Class 4 (Self employed)	
On profits £9,880 – £50,270	10.25%
On profits over £50,270	3.25%

Vehicle Benefits

Cars

Taxable benefit: List price of car multiplied by chargeable percentage.

	2022/23	2021/22 percentage for petrol cars first registered		
CO2 g/km	Electric Range miles	All Cars %	Pre 6/04/2020 %	Post 5/04/2020 %
0	N/A	2	1	1
1-50	>130	2	2	1
1-50	70 - 129	5	5	4
1-50	40 - 69	8	8	7
1-50	30 - 39	12	12	11
1-50	<30	14	14	13
51-54	N/A	15	15	14

Then a further 1% for each 5g/km CO2 emissions, up to a maximum of 37%.

Diesel cars that are not RDE2 standard suffer a 4% supplement on the above figures but are still capped at 37%.

Vans

Chargeable value of £3,600 (2021/22: £3,500) if private use is more than home-to-work. Zero-emission vans charged at £Nil (2021/22: £Nil).

Fuel

Employer provides fuel for private motoring in an employer-owned:

Car: CO2-based percentage from above table multiplied by £25,300 (2021/22: £24,600).

Van: £688 (2021/22: £669).

Employee contributions do not reduce taxable figure unless all private fuel is paid for by the employee (in which case there is no benefit charge).

Tax-free Mileage Allowances

Employee's own transport	per business mile
Cars first 10,000 miles	45p
Cars over 10,000 miles	25p
Business passengers	5p
Motorcycles	24p
Bicycles	20p

Capital Gains Tax

Annual exemption	2022/23	2021/22
Individuals, estates	£12,300	£12,300
Most trusts	6,150	6,150
Tax rate		
Individual (to basic rate limit)*	10%	10%
Individual (above basic rate limit)*	20%	20%
Trusts, estates*	20%	20%
Business Asset Disposal Relief (BADR)**	10%	10%
Investors' Relief (IR)***	10%	10%

*Individuals are taxed at 18%/28% on gains on residential property. Trusts and estates are taxed at 28% in these circumstances.

**BADR is available on qualifying gains of up to £1m.

***Shares in an unquoted trading company may qualify on lifetime gains up to £10m.

Corporation Tax

Year to	31/3/2023	31/3/2022
Corporation Tax rate	19%	19%
Research and Development relief (R&D)		
SME enhanced expenditure deduction scheme*	130%	130%
Large company R&D Expenditure Credit (RDEC) scheme**	13%	13%

*Additional deduction for qualifying R&D

**Taxable expenditure credit for qualifying R&D

SMEs that make losses can surrender the deduction to HMRC in exchange for a payment of 14.5% of the loss (capped at £20,000 plus 3 x PAYE & NIC for periods beginning from 1/4/21).

Main Capital Allowances

Plant and machinery allowances	Rate
Expenditure 1/4/21 – 31/3/23 (companies only)	
– Super-deduction (main pool expenditure)	130%
– First-year allowance (special rate pool expenditure)	50%
Annual Investment Allowance (AIA)	
– expenditure 1/1/19 – 31/3/23 of up to	£1,000,000
New electric vans	100%
Writing down allowance: general pool (reducing balance)	18%
Writing down allowance: special rate pool (reducing balance)*	6%

Motor cars purchased	From 1/4/21 CO2 (g/km)	1/4/18 to 31/3/21 CO2 (g/km)	Allowance
New cars only	Nil	up to 50	100%
In general pool	up to 50	up to 110	18%
In special rate pool	above 50	above 110	6%

Structures and Buildings Allowance	
Fixed deduction per annum	3%