

Property Taxes

Annual Tax on Enveloped Dwellings (ATED)

ATED applies to 'high value' residential properties owned via a corporate structure, unless the property is used for a qualifying purpose. The tax applies to properties valued at more than £500,000.

Property value - Annual charge to	31/3/2024	31/3/2023
£0.5m – £1m	£4,150	£3,800
£1m – £2m	8,450	7,700
£2m – £5m	28,650	26,050
£5m – £10m	67,050	60,900
£10m – £20m	134,550	122,250
Over £20m	269,450	244,750

Stamp Duty Land Tax (SDLT), Land and Buildings Transaction Tax (LBTT) and Land Transaction Tax (LTT)

Residential property (1st property only)

SDLT - England & NI £000	2023/24		LBTT - Scotland £000		LTT - Wales £000	
	Rate	Rate	Rate	Rate	Rate	Rate
Up to 250	Nil	Nil	Up to 145	Nil	Up to 225	Nil
250 – 925	5%	2%	145 – 250	2%	225 – 400	6%
925 – 1,500	10%	5%	250 – 325	5%	400 – 750	7.5%
Over 1,500	12%	10%	325 – 750	10%	750 – 1,500	10%
			Over 750	12%	Over 1,500	12%

A supplement applies for all three taxes where an additional residential property interest is purchased for more than £40,000 (unless replacing a main residence). It is also payable by all corporate purchasers. The rate is 3% (SDLT), and 6% (LBTT) of the total purchase price. LTT has specific higher rates in bandings: up to 180k: 4%, 180 - 250k: 7.5%, 250 - 400k: 9%, 400 - 750k: 11.5%, 750-1,500k: 14%, >1,500k: 16%.

For SDLT:
– First-time buyers purchasing a property of up to £625,000 pay a nil rate on the first £425,000 of the purchase price.

– A 2% supplement applies where the property is bought by certain non-UK residents.

– 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	2023/24		LBTT - Scotland		LTT - Wales	
	Rate	Rate	£000	Rate	£000	Rate
Up to 150	Nil	Nil	Up to 150	Nil	Up to 225	Nil
150 – 250	2%	1%	150 – 250	1%	225 – 250	1%
Over 250	5%	5%	Over 250	5%	250 – 1,000	5%
					Over 1,000	6%

VAT

Standard rate (1/6 of VAT-inclusive price)	20%
Registration level - taxable turnover	£85,000 per annum
Deregistration level - taxable turnover	83,000 per annum

Fiat Rate Scheme (FRS)

Annual taxable turnover to enter scheme
Must leave scheme if annual gross turnover

Up to £150,000
Exceeds £230,000

If using FRS, the VAT paid by the business is a fixed percentage (based on business category) of 'FRS turnover' rather than the net of output tax over input tax. Input tax is usually not recoverable.

Inheritance Tax

	2023/24	2022/23
Nil rate band (NRB)*	£325,000	£325,000
NRB 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 may be claimed to increment the current NRB and RNRB when the survivor dies.

**RNRB is available for transfers on death 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 businesses and certain farmland/buildings.

Reduced tax charge on gifts within 7 years before death

Years before death	0-3	3-4	4-5	5-6	6-7
% of full death tax charge payable	100	80	60	40	20

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

Key dates and deadlines

Self Assessment payment dates	2023/24	2022/23
1st payment on account	31 January	2024
2nd payment on account	31 July	2024
Balancing payment	31 January	2025
Capital Gains Tax*	31 January	2025

Other payment dates

Class 1A NIC	19 July	2024	2023
Class 1B NIC	19 October	2024	2023

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

2022/23 filing deadlines

Issue P60s to employees P11D, P11D(b)	31 May 2023 6 July 2023
---------------------------------------	----------------------------

Self Assessment Tax Return (SATR) paper version	31 October 2023
Online SATR if outstanding tax to be included in 2024/25 PAYE code (if under £3,000)	30 December 2023
Online SATR	31 January 2024

*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. Any CGT payable is also due within 60 days.

National Minimum Wage

Rate per hour	From 1/04/23	From 1/04/22
Aged 23 and over (National Living Wage)	£10.42	£9.50
Aged 21 – 22	10.18	9.18
Aged 18 – 20	7.49	6.83
Aged 16 – 17	5.28	4.81
Apprentices	5.28	4.81

Tax Guide 2023/24

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



David Allen

Tax



Tax Guide 2023/24

david-allen.co.uk

This tax guide is for guidance only and professional advice should be obtained before acting on any information contained herein.

Income Tax

Allowances	2023/24	2022/23
Personal Allowance (PA)*	£12,570	£12,570
Marriage Allowance†	1,260	1,260
Blind Person's Allowance	2,870	2,600
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	2023/24	2022/23
Basic rate band (BRB)	£37,700	£37,700
Higher rate band (HRB)	37,701 – 125,140	37,701 – 150,000
Additional rate	over 125,140	over 150,000
Personal Savings Allowance (PSA)		
– Basic rate taxpayer	1,000	1,000
– Higher rate taxpayer	500	500
Dividend Allowance (DA)	1,000	2,000

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

Tax rates	2023/24	2022/23
-----------	---------	---------

Rates differ for General/Savings/Dividend income

	G	S	D	G	S	D
Basic	20%	20%	8.75%	20%	20%	8.75%
Higher	40%	40%	33.75%	40%	40%	33.75%
Additional	45%	45%	39.35%	45%	45%	39.35%

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 £1,000 of dividend income at nil, rather than the rate that would otherwise apply.

Income Tax – Scotland	2023/24	2022/23
Starter rate	19% (19%)	£2,162
Basic rate	20% (20%)	2,163 – 13,118
Intermediate rate	21% (21%)	13,119 – 31,092
Higher rate	42% (41%)	31,093 – 125,140
Top rate	47% (46%)	over 150,000

Savings and dividend income 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	2023/24	2022/23
Annual allowance (AA)*	£60,000	£40,000
Lifetime allowance (LTA)	£1,073,100	£1,073,100

Annual relievable pension inputs are the higher of earnings (capped at AA) or £3,600.
*Usually tapered down, to a minimum of £10,000 (2022/23 £4,000), when adjusted income exceeds £260,000 (2022/23 £240,000).
In 2023/24 there is no LTA charge on excess pensions savings. The maximum tax-free pension lump sum is £268,275 (25% of LTA), unless a higher amount is "protected".

State Pension (per week)	2023/24	2022/23
Old State Pension	£156.20	£141.85
New State Pension	203.85	185.15

Annual Investment Limits

	2023/24	2022/23
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	200,000	100,000
Venture Capital Trust (VCT) – 30% relief	200,000	200,000

National Insurance Contributions

Class 1 (Employees)	Employee	Employer
Main NIC rate	12%	13.8%
No NIC on first	£242pw	£175pw
Main rate charged up to*	£967pw	no limit
2% rate on earnings above	£967pw	N/A
Employment allowance per business**	N/A	£5,000

*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 2022/23.

Employer contributions (at 13.8%) 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 if profits above £12,570	£3.45
Class 3 (Voluntary)	
Flat rate per week	£17.45

Class 4 (Self employed)	
On profits £12,570 – £50,270	9%
On profits over £50,270	2%

Employees with earnings above £123pw and the self employed with profits over £6,725 access entitlement to contributory benefits.

Vehicle Benefits

Cars		
Taxable benefit: List price of car multiplied by chargeable percentage. 2023/24 & 2022/23		
CO2 g/km	Electric Range miles	All Cars %
0	N/A	2
1-50	>130	2
1-50	70 - 129	5
1-50	40 - 69	8
1-50	30 - 39	12
1-50	<30	14
51-54	N/A	15

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 £3,960 (2022/23 £3,600) if private use is more than home-to-work. Zero-emission vans charged at £Nil (2022/23 £Nil)

Fuel

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

Car: CO2-based percentage from above table multiplied by £27,800 (2022/23 £25,300).

Van: £757 (2022/23 £688).

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	2023/24	2022/23
Individuals, estates	£6,000	£12,300
Most trusts	3,000	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%

*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.

Corporation Tax

Year to	31/3/2024	31/3/2023
Main rate (all profits)	N/A	19%
Main rate (profits above £250,000)	25%	N/A
Small profits rate (profits up to £50,000)	19%	N/A
Marginal relief band (MRB)	£50,000 – £250,000	N/A
Fraction in MRB (effective marginal rate) 3/200	(26.5%)	N/A

Research and Development relief (R&D)

SME enhanced expenditure deduction scheme*	86%	130%
---	------------	-------------

Large company R&D Expenditure Credit (RDEC) scheme**	20%	13%
---	------------	------------

*Additional deduction for qualifying R&D

**Taxable expenditure credit for qualifying R&D

SMEs that make losses can surrender any R&D loss to HMRC in exchange for a payment of 10% (year to 31/3/23 14.5%) of the loss (capped at £20,000 plus 3 x PAYE & NIC).

Main Capital Allowances

Plant and machinery allowances	31/3/2024	31/3/2023
Companies only		
– First-year allowance (main pool)	100%	N/A
– Super-deduction (main pool expenditure)	N/A	130%
– First-year allowance (special rate pool)	50%	50%

All businesses

Annual Investment Allowance (AIA)		
– expenditure up to £1m	100%	100%
New electric vans	100%	100%
Writing down allowance (main pool)	18%	18%
Writing down allowance (special rate pool)	6%	6%

Motor cars purchased	From 1/4/21	Allowance
----------------------	-------------	-----------

	CO2 (g/km)	
New cars only	Nil	100%
In general pool	up to 50	18%
In special rate pool	above 50	6%

Structures and Buildings Allowance

Fixed deduction per annum	3%
----------------------------------	-----------