



Tax Guide 2024/25

Key dates and deadlines

Self Assessment payment dates	2024/25	2023/24
1st payment on account	31 January 2025	2024
2nd payment on account	31 July 2025	2024
Balancing payment	31 January 2026	2025
Capital Gains Tax*†	31 January 2026	2025

Other payment dates

Class 1A NIC	19 July 2025	2024
Class 1B NIC	19 October 2025	2024

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

2023/24 filing deadlines

Issue P60s to employees	31 May 2024
P11D, P11D(b)	6 July 2024
Self Assessment tax return (SATR) paper version	31 October 2024
Online SATR if outstanding tax to be included in 2025/26 PAYE code (if under £3,000)	30 December 2024
Online SATR	31 January 2025

*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.

Tax Guide 2024/25

Dalston	Dumfries	Penrith	Workington
Dalmar House, Barras Lane Estate, Dalston, Carlisle CA5 7NY	51 Newall Terrace, Dumfries DG1 1LN	Hobson Court, Penrith 40 Business Park, Penrith CA11 9GQ	Prosper House, Regents Court, Guard Street, Workington CA14 4EW
Tel: 01228 711888	Tel: 01387 270340	Tel: 01768 877000	Tel: 01900 878000

mail@david-allen.co.uk • david-allen.co.uk • [f](#) [@](#) [t](#) [in](#)

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

VAT

Standard rate (1/6 of VAT-inclusive price)	20%
	From 1/4/2024
	Pre 1/4/2024
Registration level - taxable turnover per annum	£90,000
Deregistration level - taxable turnover per annum	£85,000
	88,000
	83,000

Flat Rate Scheme (FRS)

Annual taxable turnover to enter scheme	Up to £150,000
Must leave scheme if annual gross turnover	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.

National Minimum Wage

National Minimum Wage (rates per hour)	From 1/4/2024	From 1/4/2023
Aged 21* and over (National Living Wage)	£11.44	£10.42
Aged 21 – 22	N/A	10.18
Aged 18 – 20	8.60	7.49
Aged 16 – 17	6.40	5.28
Apprentices	6.40	5.28

*In 2023/24, the National Living Wage applied to those aged 23 and above.

Inheritance Tax

	2024/25	2023/24
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 band 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.

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	31/3/2025	31/3/2024
£0.5m - £1m	£4,400	£4,150
£1m - £2m	9,000	8,450
£2m - £5m	30,550	28,650
£5m - £10m	71,500	67,050
£10m - £20m	143,550	134,550
Over £20m	287,500	269,450

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	2024/25 Rate	LBTT - Scotland £000	2024/25 Rate	LTT - Wales £000	2024/25 Rate
Up to 250	Nil	Up to 145	Nil	Up to 225	Nil
250 - 925	5%	145 - 250	2%	225 - 400	6%
925 - 1,500	10%	250 - 325	5%	400 - 750	7.5%
Over 1,500	12%	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	2024/25 Rate	LBTT - Scotland £000	2024/25 Rate	LTT - Wales £000	2024/25 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%

Income Tax

Allowances	2024/25	2023/24
Personal Allowance (PA)*	£12,570	£12,570
Marriage Allowance†	1,260	1,260
Blind Person's Allowance	3,070	2,870
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 this, the limit may be deducted instead of actual expenses.

Rate bands	2024/25	2023/24
Basic rate band (BRB)	£37,700	£37,700
Higher rate band (HRB)	37,701 – 125,140	37,701 – 125,140
Additional rate	over 125,140	over 125,140
Personal Savings Allowance (PSA)		
– Basic rate taxpayer	1,000	1,000
– Higher rate taxpayer	500	500
Dividend Allowance (DA)	500	1,000

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

Tax rates	2024/25			2023/24		
Rates differ for General, Savings and Dividend income within each band:						
	G	S	D	G	S	D
Basic rate %	20	20	8.75	20	20	8.75
Higher rate %	40	40	33.75	40	40	33.75
Additional rate %	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 (mainly 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 £500 (2023/24 £1,000) of dividend income at nil, rather than the rate that would otherwise apply.

Income Tax – Scotland	2024/25		2023/24	
Starter rate	19%(19%)	£2,306	£2,162	
Basic rate	20%(20%)	2,307 – 13,991	2,163 – 13,118	
Intermediate rate	21%(21%)	13,992 – 31,092	13,119 – 31,092	
Higher rate	42%(42%)	31,093 – 62,430	31,093 – 125,140	
Advanced rate	45%(N/A)	62,431 – 125,140	N/A	
Top rate	48%(47%)	over 125,140	125,140	

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

High Income Child Benefit Charge (HICBC)

1% of Child Benefit for each £200 (2023/24 £100) of adjusted net income between £60,000 and £80,000 (2023/24 £50,000 and £60,000).

Pensions

Registered Pensions	2024/25	2023/24
Annual Allowance (AA)*	£60,000	£60,000
Annual relievable pension inputs are the higher of earnings (capped at AA) or £3,600.		
*Usually tapered down, to a minimum of £10,000, when adjusted income exceeds £260,000.		
The maximum tax-free pension lump sum is £268,275, unless a higher amount is "protected".		

State Pension (per week)	2024/25	2023/24
Old State Pension	£169.50	£156.20
New State Pension†	221.20	203.85

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

Annual Investment Limits

	2024/25	2023/24
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	200,000
Venture Capital Trust (VCT) – 30% relief	200,000	200,000

National Insurance Contributions

Class 1 (Employees)	Employee	Employer
Main NIC rate	8%	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 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 2023/24.

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 below £6,725 (voluntary)	£3.45

Class 3 (Voluntary)	
Flat rate per week	£17.45

Class 4 (Self employed)	
On profits £12,570 – £50,270	6%
On profits over £50,270	2%

Employees with earnings above £123pw and the self employed with profits over £6,725 (or who pay voluntary Class 2 contributions) can access entitlement to contributory benefits.

Vehicle Benefits

Cars

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

	2024/25 & 2023/24	
	CO2 g/km	Electric Range miles
		All Cars %
	0	2
	1-50	>130
	1-50	70 - 129
	1-50	40 - 69
	1-50	30 - 39
	1-50	<30
	51-54	N/A

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 (2023/24 £3,960) if private use is more than home-to-work.

Zero-emission vans charged at £Nil (2023/24 £Nil)

Fuel

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

Car: CO2-based percentage from above table multiplied by £27,800 (2023/24 £27,800).

Van: £757 (2023/24 £757).

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	2024/25	2023/24
Individuals, estates	£3,000	£6,000
Most trusts	1,500	3,000
Tax rate		
Individual up to Basic Rate Limit (BRL)		
– Residential property	18%	18%
– Other assets	10%	10%
Individual above BRL, trusts and estates		
– Residential property	24%	28%
– Other assets	20%	20%
Business Asset Disposal Relief (BADR)**	10%	10%

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

Corporation Tax

Year to	31/3/2025	31/3/2024
Main rate (profits above £250,000)	25%	25%
Small profits rate (profits up to £50,000)	19%	19%
Marginal relief band (MRB)	£50k – £250k	£50k – £250k
Fraction in MRB (effective marginal rate)	3/200 (26.5%)	3/200 (26.5%)

Research and Development relief (R&D)

Accounting periods beginning on or after	1/4/2024
R&D Expenditure Credit (RDEC) scheme*	20%
R&D-intensive SMEs enhanced expenditure scheme**	86%

*Taxable expenditure credit for qualifying R&D

**Additional deduction for qualifying R&D

R&D-intensive companies are those that have R&D expenditure constituting at least 30% of total tax-deductible P&L expenses plus capitalised R&D costs. Loss-making R&D intensive companies can claim a payable credit rate of 14.5% from HMRC in exchange for their losses (capped at £20,000 plus 3 x [PAYE & NIC]).

Previously, most SMEs used the enhanced expenditure scheme, but with a payable tax credit rate for losses of 10% (or 14.5%, from 1 April 2023, for those with R&D expenditure constituting at least 40% of total expenditure).

Main Capital Allowances

Plant and machinery allowances Companies only	Year to 31/3/2025	Year to 31/3/2024
– First-year allowance (main pool)	100%	100%
– First-year allowance (special rate pool)	50%	50%

All businesses

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

Motor cars purchased	From 1/4/2021 CO2 (g/km)	Allowance
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%
----------------------------------	-----------