

RESEARCH AND DEVELOPMENT (R&D)

Revenue expenditure – SMEs	230%
Capital expenditure – all companies	100%
SME company R&D payable credit	14.5%
Large company R&D expenditure credit (RDEC)	13%

TAX-EFFICIENT INVESTMENTS

Annual investment limit	2022/23	2021/22
ISA	£20,000	£20,000
Lifetime ISA*	£4,000	£4,000
Help-to-buy ISA (existing savers only)	Up to £200 a month	
Junior ISA and child trust fund	£9,000	£9,000
Venture capital trust at 30%	£200,000	£200,000
Enterprise investment scheme at 30%**	£1m	£1m
Seed EIS (SEIS) at 50%	£100,000	£100,000
Social investment tax relief at 30%	£1m	£1m

* Reduces ISA limit by amount invested in Lifetime ISA.

** Up to £2m in a knowledge-intensive company.

REGISTERED PENSIONS

	2022/23	2021/22
Lifetime allowance limit	£1,073,100	£1,073,100
Money purchase annual allowance	£4,000	£4,000
Annual allowance limit*	£40,000	£40,000
Minimum age for accessing benefits	55	55
Maximum tax-free pension lump sum	25% of pension fund value	

* Tapered at a rate of 50% of excess income down to £4,000 if threshold income over £200,000 and adjusted income over £240,000. Restrictions can apply based on net-relevant earnings.

Subject to certain conditions, the unused amount of the annual allowance can be carried forward up to three years and used once the current year annual allowance has been fully utilised.

NATIONAL INSURANCE

Class 1			
Weekly earnings	Employee rate	Weekly earnings	Employer rate
Up to £190 (Up to £242 from 6 July)	Nil*	Up to £175	Nil
Over £190-£967 (Over £242-£967 from 6 July)	13.25%	Over £175-£967	15.05%**
Over £967	3.25%	Over £967	15.05%
Over state pension age	0%	Over state pension age	15.05%

* Entitlement to contribution-based benefits are retained for earnings between £123 and £190 a week (£242 per week from 6 July 2022).

** 0% for staff under 21 and apprentices under 25 on earnings up to £967 a week, or for new employees in freeport tax sites on earnings up to £481 a week.

Class 1A	
On relevant benefits, including car and fuel benefits	15.05%

Class 2	
Self-employed above lower profits limit	£3.15 a week
Lower profits limit	£11,908 a year

Class 3	
Voluntary	£15.85 a week

Class 4*	
Self-employed on profits above £11,908 – £50,270	10.25%
Over £50,270	3.25%

* Exemption applies if the state retirement age is reached by 6 April 2022.

Employment allowance

Per employer, per year	£5,000*
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* One claim only for companies in a group or under common control. Not available where the director is the only employee paid earnings above the secondary threshold for class 1 NICs. Limited to employers with an employer NICs bill below £100,000 in the previous tax year.

Apprenticeship levy

A levy of 0.5% applies where the pay bill exceeds £3m. There is an allowance of £15,000. Further conditions apply, so please consult with us.

IMPORTANT NOTICE

These rates and allowances are based on both Spring and Autumn Budget 2021 and Spring Statement 2022 announcements made by the UK and Northern Ireland, Scottish and Welsh Governments and are for information only.

All information is subject to change. The above must not be considered advice and no warranty is given for the accuracy or completeness of the details. Professional advice should be sought before making any decisions.

Rates apply to the UK and Northern Ireland unless stated otherwise.

STAMP DUTY

Consideration on shares over £1,000	0.5%
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PROPERTY TAXES

Incremental rates of tax are only payable on the part of the property price within each band. An extra 3% rate (4% in Scotland) applies to purchases of additional residential property above £40,000 and all corporate residential properties.

England & Northern Ireland: Stamp duty land tax

On the transfer of residential property*		On the transfer of non-residential property	
£0 – £125,000	0%	£0 – £150,000	0%
Over £125,000 – £250,000	2%	Over £150,000 – £250,000	2%
Over £250,000 – £925,000	5%	Above £250,000	5%
Over £925,000 – £1.5m	10%		
Above £1.5m	12%		

* First-time buyers pay nothing on the first £300,000 for properties up to £500,000. A 5% rate will also apply between £300,000 and £500,000.

For residential purchases by 'non-natural persons' over £500,000 a rate of 15% applies, subject to certain exclusions.

Scotland: Land and buildings transaction tax

On the transfer of residential property*		On the transfer of non-residential property	
£0 – £145,000	0%	£0 – £150,000	0%
Over £145,000 – £250,000	2%	Over £150,000 – £250,000	1%
Over £250,000 – £325,000	5%	Above £250,000	5%
Over £325,000 – £750,000	10%		
Above £750,000	12%		

* First-time buyers pay nothing on the first £175,000.

Wales: Land transaction tax

On the transfer of residential property		On the transfer of non-residential property	
£0 – £180,000	0%	£0 – £225,000	0%
Over £180,000 – £250,000	3.5%	Over £225,000 – £250,000	1%
Over £250,000 – £400,000	5%	Over £250,000 – £1m	5%
Over £400,000 – £750,000	7.5%	Above £1m	6%
Over £750,000 – £1.5m	10%		
Above £1.5m	12%		

Residential property developer tax

On annual profits in excess of £25m	4%
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Tax Card 2022/23



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INCOME TAX ALLOWANCES

	2022/23	2021/22
Personal allowance*	£12,570	£12,570
Personal savings allowance		
– Basic-rate taxpayer	£1,000	£1,000
– Higher-rate taxpayer	£500	£500
– Additional-rate taxpayer	£0	£0
Dividend allowance at 0%	£2,000	£2,000
Marriage/civil partner transferable allowance**	£1,260	£1,260
Trading and property allowance***	£1,000	£1,000
Rent-a-room allowance	£7,500	£7,500
Blind person's allowance	£2,600	£2,520

* The personal allowance is reduced by £1 for each £2 of income from £100,000 to £125,140.

** Any unused personal allowance may be transferred to a spouse or civil partner, where the recipient is not liable to higher or additional-rate tax.

*** Landlords and traders with gross income from each of these sources in excess of £1,000 can deduct the allowance from their gross income as an alternative to claiming expenses.

INCOME TAX BANDS AND RATES

	2022/23	2021/22
Starting rate of 0% savings up to*:	£5,000	£5,000
Basic-rate band	£37,700	£37,700
Higher-rate band	£37,701 to £150,000	£37,701 to £150,000
Additional-rate band	Above £150,000	Above £150,000
Basic-rate	20%	20%
Higher-rate	40%	40%
Additional-rate	45%	45%
Dividend basic-rate	8.75%	7.5%
Dividend higher-rate	33.75%	32.5%
Dividend additional-rate	39.35%	38.1%

* The starting rate does not apply if taxable income exceeds the starting rate limit.

Income tax in Scotland

	2022/23		2021/22	
Band	Taxable income	Rate	Taxable income	Rate
Starter*	£12,571 – £14,732	19%	£12,571 – £14,667	19%
Basic	£14,733 – £25,688	20%	£14,668 – £25,296	20%
Intermediate	£25,689 – £43,662	21%	£25,297 – £43,662	21%
Higher**	£43,663 – £150,000	41%	£43,663 – £150,000	41%
Top**	Above £150,000	46%	Above £150,000	46%

* Assumes individual is in receipt of a personal allowance.

** The personal allowance is reduced by £1 for each £2 of income from £100,000 to £125,140.

VEHICLE AND FUEL BENEFITS-IN-KIND

The taxable benefit-in-kind is calculated as a percentage (%) of the car's UK list price. The % depends on the car's CO₂ emissions in grams per kilometre (g/km).

CO ₂ emissions (g/km)	Electric range (miles)	Appropriate percentage
0	n/a	2%
1 – 50	130 and over	2%
1 – 50	70 – 129	5%
1 – 50	40 – 69	8%
1 – 50	30 – 39	12%
1 – 50	Under 30	14%
51 – 54	n/a	15%
Over 54	n/a	+1% every 5g/km up to 37%

* Diesel vehicles not meeting the RDE2 standard will be liable to a 4% surcharge, up to a maximum of 37%.

The list price is on the day before first registration, including most accessories, and is reduced by any employee's capital contribution (max £5,000) when the car is first made available. Where the cost of all fuel for private use is borne by the employee, the fuel benefit is nil. Otherwise, the fuel benefit is calculated by applying the car benefit percentage to the car fuel benefit multiplier (below).

Company car fuel	2022/23	2021/22
Car fuel benefit multiplier	£25,300	£24,600

Company vans*	2022/23	2021/22
Van benefit charge	£3,600	£3,500
Van fuel benefit multiplier	£688	£669

* Applies where private use is more than home-to-work travel. Payments by employees for private use may reduce these benefits-in-kind. Zero-emission vans have a benefit value of £0.

TAX-FREE MILEAGE ALLOWANCES

Cars and vans, inc. electric vehicles	First 10,000 business miles	45p
	Thereafter	25p
Motorcycles	24p	
Bicycles	20p	
Business passenger	5p	

The tax-free business mileage allowance rates apply for qualifying business journeys incurred by employees using their own vehicles over the course of the tax year.

For National Insurance purposes, a 45p rate might apply for all business miles incurred by cars and vans.

CAPITAL GAINS TAX

		2022/23	2021/22
Main rates	Individual basic-rate	10%	10%
	Individual over basic-rate	20%	20%
	Trusts and estates	20%	20%
Surcharge – for gains on chargeable residential property and carried interest		8%	8%
Annual exemption	Individuals	£12,300	£12,300
	Trusts	£6,150	£6,150
Business asset disposal relief	Applicable rate	10%	10%
	Lifetime limit	£1m	£1m
Investors' relief	Applicable rate	10%	10%
	Lifetime limit	£10m	£10m

INHERITANCE TAX

	2022/23	2021/22
Nil-rate band limit*	£325,000	£325,000
Main residence nil-rate band**	£175,000	£175,000
Combined threshold limit for married couples and civil partners, including main residence nil-rate band	£1m	£1m
Business property relief and agricultural property relief	50% or 100%	50% or 100%

* Up to 100% of any unused part of a deceased person's nil-rate band can be claimed by the surviving spouse/civil partner on their death. This also applies to the main residence nil-rate band, albeit the main residence nil-rate is subject to the taper withdrawal below.

** For estates in excess of £2m, a 50% taper withdrawal applies to the excess.

Tax rates

	2022/23	2021/22
Main rate	40%	40%
Chargeable on lifetime transfers	20%	20%
Transfers on or within seven years of death*	40%	40%
Reduced rate**	36%	36%

* All lifetime transfers not covered by exemptions and made within seven years of death will be added back into the estate for the purposes of calculating the tax payable. This may then be reduced as shown in the table below.

** Applies if 10% or more of net-chargeable estate is left to certain registered charities.

Years before death	0 – 3	3 – 4	4 – 5	5 – 6	6 – 7
Tax reduced by	0%	20%	40%	60%	80%

UK COMPANY TAXATION

Financial year from 1 April	2022	2021
Corporation tax main rate	19%	19%
Loans to participators	33.75%	32.5%
Diverted profits tax	25%	25%

MAIN CAPITAL ALLOWANCES

Initial allowances

Annual investment allowance: on first £1m (excludes cars)*	100%
Super-deduction: qualifying plant and machinery	130%
First-year allowance: special-rate pool	50%
First-year allowance: including new and unused electric cars and zero-emission goods vehicles	100%

* Applies from 1 January 2019 to 31 March 2023, reverting to £200,000 from 1 April 2023. Transitional rules may apply for chargeable periods spanning these dates.

Writing-down allowances

Plant and machinery main-rate expenditure	18%	
Plant and machinery special-rate expenditure	6%	
Cars	1 – 50g/km	18%
	More than 50g/km	6%
Structures and buildings allowance – straight-line relief	3%*	

*An enhanced structure and buildings allowance of 10% is available in qualifying freeport tax sites.

VAT

From 1 April 2022	Rate	VAT fraction
Standard rate	20%	1/6
Reduced rate	5%	1/21

Taxable turnover limits

From 1 April	2022	2021
Registration (last 12 months or next 30 days) over	£85,000	£85,000
Deregistration (next 12 months) under	£83,000	£83,000
Annual and cash accounting schemes turnover limit	£1.35m	£1.35m
Flat-rate scheme turnover limit	£150,000	£150,000