

Income Tax — Rates & Bands

Basic rate 20% · £1 – £37,700
Higher rate 40% · £37,701 – £125,140
Additional rate 45% · over £125,140
Personal allowance = £12,570
PA taper: £1 lost per £2 over £100,000 (nil at £125,140)

Bands apply to taxable income (after PA)

Savings & Dividend Income

Savings starter rate band = £5,000 @ 0%
Savings nil rate (PSA): £1,000 BR · £500 HR · £nil AR
Dividend nil rate band = £500
Dividend rates: 8.75% BR · 33.75% HR · 39.35% AR

National Insurance

Class 1 employee: 8% (£12,570–£50,270), 2% above
Class 1 employer: 15% above £5,000
Employment allowance = £10,500
Class 1A = 15%
Class 2: £3.45/wk (profits ≥ £12,570)
Class 4: 6% (£12,570–£50,270), 2% above

Employer secondary threshold £5,000 (FA 2025)

Capital Gains Tax — Individuals

Annual exempt amount = £3,000
Other assets: 18% (BR) · 24% (HR)
Residential property: 18% (BR) · 24% (HR)
BADR rate = 14% (lifetime limit £1m)
Investors' relief = 14% (lifetime limit £1m)
Part disposal: $\text{cost} \times A \div (A + B)$
Shares: same day → next 30 days → s.104 pool

BADR is 14% under FA 2025 (was 10%)

Corporation Tax

Main rate (profits > £250,000) = 25%
Small profits rate (\leq £50,000) = 19%
Marginal relief between £50,000 and £250,000
Standard fraction = $\frac{3}{200}$
Marginal relief =
 $(UL - \text{augmented profits}) \times (\text{TTP} \div \text{AP}) \times \frac{3}{200}$
Divide limits by number of associated companies

Capital Allowances

AIA = £1,000,000 (not cars)
Main pool WDA = 18% (reducing balance)
Special rate pool WDA = 6%
FYA new zero-emission cars = 100%
Cars \leq 50g/km → main pool · $>$ 50g/km → special rate
AIA never available on cars

Inheritance Tax

Nil rate band = £325,000
Residence NRB = £175,000
Death rate 40% · lifetime CLT 20%
Annual exemption = £3,000 (+ prior year if unused)
Small gifts = £250 per donee
Marriage: £5,000 / £2,500 / £1,000
Taper relief: 3–4y 20% · 4–5y 40% · 5–6y 60% · 6–7y 80%
7-year rule: exactly 7 years gift to death

Value Added Tax

Standard rate = 20%
Registration threshold = £90,000
Deregistration threshold = £88,000
Notify within 30 days of month end →
registered from 1st of following month
Cash / annual accounting: turnover \leq £1,350,000
Flat rate scheme: turnover \leq £150,000

Self Assessment

31 Jan: online return, balancing payment, 1st POA
31 July: 2nd payment on account
POA = 50% of prior-year income tax (not Class 4 NIC)
No POA if prior IT < £1,000 or > 80% at source