



# Tax Guide

2022/23

## Income Tax

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<b>Main personal allowances and reliefs</b>	<b>22/23</b>	<b>21/22</b>
Personal allowance*	£12,570	£12,570
Marriage/civil partner's transferable allowance	£1,260	£1,260
Married couple's/civil partner's allowance at 10% <sup>†</sup> (if at least one born before 6/4/35) – maximum	£9,415	£9,125
– minimum	£3,640	£3,530
Blind person's allowance	£2,600	£2,520
Rent-a-room relief	£7,500	£7,500
Property allowance and trading allowance (each)	£1,000	£1,000

\*Personal allowance reduced by £1 for every £2 of adjusted net income over £100,000  
<sup>†</sup>Married couple's/civil partner's allowance reduced by £1 for every £2 of adjusted net income over £31,400 (£30,400 for 21/22), until minimum reached

<b>UK taxpayers excluding Scottish taxpayers' non-dividend, non-savings income</b>	<b>22/23</b>	<b>21/22</b>
20% basic rate on first slice taxable income up to £37,700		£37,700
40% higher rate on next slice taxable income over £37,700		£37,700
45% additional rate on taxable income over £150,000	£150,000	£150,000

<b>Scottish taxpayers – non-dividend, non-savings income</b>		
19% starter rate on taxable income up to	£2,162	£2,097
20% basic rate on next slice up to	£13,118	£12,726
21% intermediate rate on next slice up to	£31,092	£31,092
41% higher rate on next slice up to	£150,000	£150,000
46% top rate on income over	£150,000	£150,000

<b>All UK taxpayers</b>			
Starting rate 0% on band of savings income to**	£5,000	£5,000	
Personal savings allowance at 0%:			
Basic rate	£1,000	£1,000	
Higher rate	£500	£500	
Additional rate	£0	£0	
Dividend allowance at 0%:	All individuals	£2,000	£2,000
Tax rates on dividend income:	Basic rate	8.75%	7.5%
	Higher rate	33.75%	32.5%
	Additional rate	39.35%	38.1%
Trusts: Standard rate band generally	£1,000	£1,000	
Rate applicable to trusts:	Dividends	39.35%	38.1%
	Other income	45%	45%

\*\*Not available if taxable non-savings income exceeds the starting rate band

**High Income Child Benefit Charge**, 1% of benefit per £100 of adjusted net income between £50,000–£60,000

## Registered Pensions

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	<b>22/23</b>	<b>21/22</b>
Lifetime allowance	£1,073,100	£1,073,100
Money purchase annual allowance	£4,000	£4,000
Annual allowance*	£40,000	£40,000
Annual allowance charge on excess is at applicable tax rate(s) on earnings		
Lifetime allowance charge if excess is drawn as cash 55%; as income 25%		
Pension commencement lump sum up to 25% of pension benefit value		

\*Reduced by £1 for every £2 of adjusted income over £240,000 to a minimum of £4,000, subject to threshold income being over £200,000

## State Pensions

	Annual	Weekly
New state pension – where state pension age reached after 5/4/16	£9,627.80	£185.15
Basic state pension – single person*	£7,376.20	£141.85
Basic state pension – spouse/civil partner*	£4,420.00	£85.00

\*State pension age reached before 6/4/16

## Tax Incentivised Investment

Total Individual Savings Account (ISA) limit, excluding Junior ISAs (JISAs)	22/23	21/22
Lifetime ISA	£4,000	£4,000
JISA and Child Trust Fund	£9,000	£9,000
Venture Capital Trust (VCT) at 30%	£200,000	£200,000
Enterprise Investment Scheme (EIS) at 30%*	£2,000,000	£2,000,000
EIS eligible for CGT deferral relief	No limit	No limit
Seed EIS (SEIS) at 50%	£100,000	£100,000
SEIS CGT reinvestment relief	50%	50%

\*Above £1,000,000 investment must be in knowledge-intensive companies

## National Insurance Contributions

Class 1	Employee	Employer
NICs rate	13.25%	15.05%
No NICs for employees generally on the first	£242 pw <sup>†</sup>	£175 pw
No NICs* for: younger/veteran employees first	£242 pw <sup>†</sup>	£967 pw
freeport employees on first	£242 pw <sup>†</sup>	£481 pw
NICs rate charged up to	£967 pw	No limit
3.25% NICs on earnings over	£967 pw	N/A

\*Employees generally under 21 years and apprentices under 25 years. Veterans in first 12 months of civilian employment. Employees at freeports in Great Britain in the first three years of employment from 6 April 2022

**Employment Allowance** £5,000

Per business – not available if sole employee is a director or employer's NICs for 21/22 £100,000 or more

Limits and Thresholds	Weekly	Annual
Lower earnings limit	£123	£6,396
Primary threshold	£242 <sup>†</sup>	£12,570**
Secondary threshold	£175	£9,100
Upper earnings limit (and upper secondary thresholds)	£967	£50,270

**Class 1A Employer** On car and fuel benefits and most other taxable benefits provided to employees and directors 15.05%

**Class 2 Self-employed** Flat rate per week £3.15 (£163.80 pa)  
Small profits threshold £6,725  
Lower profits limit £11,908

**Class 4 Self-employed** On annual profits of £11,908 to £50,270: 10.25%  
Over £50,270: 3.25%

**Class 3** Voluntary flat rate per week £15.85 (£824.20 pa)

<sup>†</sup>£190 pw before 6 July 2022

\*\*£9,880 before 6 July 2022

## Capital Gains Tax

Tax Rates – Individuals	22/23	21/22
Below UK higher rate income tax band	10%	10%
Within UK higher & additional rate income tax bands	20%	20%
<b>Tax Rate – Trusts and Estates</b>	20%	20%
<b>Surcharge</b> for residential property & carried interest	8%	8%
<b>Annual exempt amount:</b> Individuals, estates, etc.	£12,300	£12,300
Trusts generally	£6,150	£6,150
<b>Chattels</b> gain limited to 5/3rds of proceeds over	£6,000	£6,000

### Business Asset Disposal Relief

10% on lifetime limit of £1,000,000 for trading businesses and companies (minimum 5% participation) held for at least two years

## Inheritance Tax

	22/23	21/22
Nil-rate band*	£325,000	£325,000
Residence nil-rate band*†	£175,000	£175,000
Rate of tax on excess	40%	40%
Rate if at least 10% of net estate left to charity	36%	36%
Lifetime transfers to and from certain trusts	20%	20%
Overseas domiciled spouse/civil partner exemption	£325,000	
100% relief: businesses, unlisted/AIM companies, certain farmland/buildings		
50% relief: certain other business assets e.g. farmland let pre 1/9/95		
Annual exempt gifts of:	£3,000 per donor	£250 per donee

### Tapered tax charge on lifetime gifts within 7 years of death

Years between gift and death	0-3	3-4	4-5	5-6	6-7
% of death tax charge	100	80	60	40	20

\*Up to 100% of the unused proportion of a deceased spouse's/civil partner's nil-rate band and/or residence nil-rate band can be claimed on the survivor's death

†Estates over £2,000,000: the value of the residence nil-rate band is reduced by 50% of the excess over £2,000,000

## Stamp Duties and Property Transactions Taxes

**Stamp Duty and SDRT:** Stocks and marketable securities 0.5%  
**Additional residential and all corporate residential properties**  
£40,000 or more – add 3% to SDLT rates and 4% to LBTT and LTT rates

### England & N Ireland – Stamp Duty Land Tax (SDLT) on slices of value

Residential property	%	Commercial property*	%
Up to £125,000	0	Up to £150,000	0
£125,001–£250,000	2	£150,001–£250,000	2
£250,001–£925,000	5	Over £250,000	5
£925,001–£1,500,000	10		
Over £1,500,000	12		

\*0% for freeport qualifying property in England only

**First time buyers:** 0% on first £300,000 for properties up to £500,000

**Non-resident purchasers:** 2% surcharge on properties £40,000 or more

**Residential properties** bought by companies etc over £500,000: 15% of total consideration, subject to certain exemptions

### Scotland – Land and Buildings Transaction Tax (LBTT) on slices of value

Residential property	%	Commercial property	%
Up to £145,000	0	Up to £150,000	0
£145,001–£250,000	2	£150,001–£250,000	1
£250,001–£325,000	5	Over £250,000	5
£325,001–£750,000	10		
Over £750,000	12		

**First time buyers:** 0% on the first £175,000

### Wales – Land Transaction Tax (LTT) on slices of value

Residential property	%	Commercial property	%
Up to £180,000	0	Up to £225,000	0
£180,001–£250,000	3.5	£225,001–£250,000	1
£250,001–£400,000	5	£250,001–£1,000,000	5
£400,001–£750,000	7.5	Over £1,000,000	6
£750,001–£1,500,000	10		
Over £1,500,000	12		

## Corporation Tax

**Years to 31/3/23 and 31/3/22** Profits: 19% Diverted profits: 25%

**Loans to participators** Made in 21/22: 32.5% Made in 22/23: 33.75%

## Value Added Tax

Standard rate	20%	Domestic fuel	5%
Installation of energy saving materials (except Northern Ireland)	0%		
Since 1/4/17: Registration level	£85,000	Deregistration	£83,000
Flat rate scheme turnover limit			£150,000
Cash and annual accounting schemes turnover limit			£1,350,000

## Car Benefits

Taxable amount based on original list price and CO<sub>2</sub> emissions in g/km.

**Zero emission cars** 2%

**Petrol and diesel hybrids** with CO<sub>2</sub> emissions 1–50g/km

<b>Range – electric-only miles &lt; 30</b>	<b>30–39</b>	<b>40–69</b>	<b>70–129</b>	<b>130+</b>	
	14%	12%	8%	5%	2%

<b>All non-diesel cars over 50g/km CO<sub>2</sub></b>	<b>51–54</b>	<b>55 &amp; over</b>
	15%	16%*–37%

\*Increased for every extra 5g/km by 1% up to the maximum 37%

**Diesels** not meeting RDE2: add 4% to non-diesel rates, up to 37%

**Fuel Benefit – taxable amount for private use 22/23** **21/22**

CO<sub>2</sub> % charge used for car benefit multiplied by £25,300 £24,600

## Vans – For Private Use

	<b>22/23</b>	<b>21/22</b>
Zero emission: chargeable amount	Nil	Nil
Other vans: chargeable amount	£3,600	£3,500
Fuel: chargeable amount	£688	£669

## Tax-Free Business Mileage Allowance – Own Vehicle

Cars and vans first 10,000 miles	45p per mile	then 25p per mile
Qualifying passenger	5p per mile	
Motorcycles	24p per mile	Bicycles 20p per mile

## Main Capital And Other Allowances

Plant & machinery (P&M) 100% annual investment allowance (1st year):	To 31/3/23	£1,000,000
P&M* super-deduction first year allowance (FYA) for companies to 31/3/23		130%
Special rate P&M* FYA for companies to 31/3/23		50%
Plant and machinery**		18%
Patent rights and know-how**		25%
Special rate P&M e.g. long-life assets and integral features of buildings**		6%
Structures and buildings (straight line)†		3%
Electric charge points		100%

### Motor Cars

CO <sub>2</sub> emissions of g/km:	0*	1–50	Over 50
Capital allowance:	100% first year	18% pa**	6% pa**

\*New and unused only \*\*Annual reducing balance †10% for freeport sites in GB

## Research and Development

Capital expenditure	100%
Revenue expenditure relief – small/medium-sized companies	230%
Research and development expenditure credit – large companies	13%

## Social Security Benefits

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Weekly rates for 2022/23 (taxable unless stated otherwise).

### Employment and Support Allowance (contribution-based taxable)

#### 13-week assessment phase

Aged under 25: up to £61.05      Aged 25 or over: up to £77.00

#### From week 14 after Work Capability Assessment if eligible

In Work Related Activity Group      up to £107.60

In Support Group      up to £117.60

### Bereavement Support Payments (non-taxable) – initial and for 18 months

Higher rate:\* £3,500 lump sum      £350 monthly

Standard rate: £2,500 lump sum      £100 monthly

\*If entitled to or claiming Child Benefit or pregnant at partner's death

### Statutory Pay Rates

Based on minimum average earnings of at least £123pw:

**Statutory Sick Pay**      £99.35 standard rate

#### Statutory Maternity Pay/Statutory Adoption Pay

First 6 weeks – 90% of average weekly pay

Next 33 weeks – 90% of average weekly pay up to £156.66

**Statutory Paternity Pay**      90% of average weekly pay up to £156.66

#### Shared Parental Pay

Up to 37 weeks: 90% of average weekly pay up to £156.66

### Child Benefit (see 'Income Tax – High Income Child Benefit Charge')

First or only child      £21.80      Each subsequent child      £14.45

### National Living/National Minimum Wage (hourly)

#### 1/4/22 – 31/3/23

Aged 23 and over      National Living Wage      £9.50

Aged 21–22      National Minimum Wage      £9.18

Aged 18–20      National Minimum Wage      £6.83

Aged under 18      National Minimum Wage      £4.81

Apprentice      National Minimum Wage      £4.81

## Main Due Dates For Tax Payments

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### Income Tax, NICs and Capital Gains Tax – Self-Assessment

31 Jan in tax year }      Normally 50% of previous year's income tax  
Following 31 July }      (less tax deducted at source) and class 4 NICs

Following 31 Jan      Balance of income tax, class 4 NICs,  
CGT and all class 2 NICs

### Inheritance Tax

On death:      Normally 6 months after end of month of death

Lifetime transfer 6 April–30 September:      30 April in following year

Lifetime transfer 1 October–5 April:      6 months after month of transfer

### Corporation Tax – Self Assessment

- Profits under £1,500,000: 9 months + 1 day after end of accounting period
- Profits £1,500,000 or over: normally payable in 7th, 10th, 13th and 16th months after start of the accounting period
- Profits £20,000,000 or over: normally payable in 3rd, 6th, 9th and 12th months after start of the accounting period
- Growing companies: no instalments where profits are £10,000,000 or less and the company was not a large company for the previous year.

## 2022/23 Tax Calculator

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Make payment on previous working day where due date falls on a weekend/bank holiday.

### Every month

- 19 Submit CIS contractors' monthly return.
- 22 PAYE/NICs/CIS deductions paid electronically for period ending 5th of the month (19th if not paying electronically).

### Month end

Submit CT600 for year ending 12 months previously.  
Last day to amend CT600 for year ending 24 months previously.

### April 2022

- 1 VAT rate on hospitality, holiday accommodation and attractions increases from 12.5% to 20%. New VAT points-based penalty regime starts. All voluntarily VAT registered businesses must send VAT returns using MTD software.
- 6 New NIC rates and dividend tax rates come into force.

### July 2022

- 5 Last date to agree a new PAYE Settlement Agreement (PSA) for 2021/22.
- 6 The annual NIC primary threshold and lower profits limit increase from £9,880 to £12,570.  
Deadline for employers to return forms P11D (expenses) and P11D (b) (benefits) for 2021/22 to HMRC and provide copies to employees.
- 22 Pay class 1A NICs (19 July if not paying electronically).
- 31 Confirm tax credit claims for 2021/22 and renewal for 2022/23. Second payment on account for 2021/22 income tax and class 4 NICs.

### August 2022

- 1 Penalty of 5% of the tax due or £300, whichever is the greater, where the 2020/21 tax return has not been filed.

### October 2022

- 5 Deadline to register for self-assessment for 2021/22.
- 22 Pay tax and class 1B NICs on PSAs (19th if not paying electronically).
- 31 Deadline for 2021/22 tax return if filed on paper.

### December 2022

- 30 Deadline to submit 2021/22 tax return online to have underpaid PAYE tax collected through the 2023/24 tax code.

### January 2023

- 31 Submit 2021/22 self-assessment tax return online. Pay balance of 2021/22 income tax, class 4 NICs, CGT and all class 2 NICs plus first payment on account for 2022/23 income tax and class 4 NICs.

### February 2023

- 1 Initial penalty imposed where the 2021/22 tax return has not been filed or has been filed on paper after 31 October 2022.

### March 2023

- 2 Last day to pay 2021/22 tax to avoid automatic 5% penalty.

Accounting and Business Support  
Charities  
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Family Businesses  
Family Law  
Powers of Attorney  
Rural Land and Business  
Tax Compliance  
Tax Planning  
Trusts  
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Your Family Office



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