



# **UK Tax Rates and Thresholds for the 2022/2023 tax year**

**Spondoo Accountants**

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# Income Tax

## Allowances

Allowances	2022/23	2021/22
Personal Allowance (PA) <i>(PA is withdrawn at £1 for every £2 by which 'adjusted income' exceeds £100,000. There is no allowance given above £125,140.)</i>	£12,570	£12,570
Marriage Allowance <i>(The part of the PA that is transferable to a spouse or civil partner who is not a higher or additional rate taxpayer.)</i>	1,260	1,260
Blind Person's Allowance	2,600	2,520
Rent a room relief <i>(If gross income exceeds it, the limit may be deducted instead of actual expenses.)</i>	7,500	7,500
Trading income <i>(If gross income exceeds it, the limit may be deducted instead of actual expenses.)</i>	1,000	1,000
Property income <i>(If gross income exceeds it, the limit may be deducted instead of actual expenses.)</i>	1,000	1,000

## Rate Bands

Rate Band	2022/23	2021/22
Basic Rate Band (BRB)	£37,700	£37,700
Higher Rate Band (HRB)	37,701 – 150,000	37,701 – 150,000
Additional rate	over 150,000	over 150,000
Personal Savings Allowance (PSA)		
• Basic rate taxpayer	1,000	1,000
• Higher rate taxpayer	500	500
Dividend Allowance (DA)	2,000	2,000

## Tax Rates

Rates differ for General, Savings and Dividend income within each band. Scottish taxpayers are taxed at different rates on general income.

### Income tax rates for England

Band	2022/2023			2021/2022		
	G	S	D	G	S	D
Basic rate	20%	20%	8.75%	20%	20%	7.5%
Higher rate	40%	40%	33.75%	40%	40%	32.5%
Additional rate	45%	45%	39.35%	45%	45%	38.1%

### Income Tax Rates and bands for Scotland

Band	Scottish Tax Rate	2022/2023	2021/2022
Personal Allowance	0%	£0 – £12,570	£0 – £12,570
Starter rate	19%	£12,571 – £14,667	£12,571 – £14,667
Basic rate	20%	£14,668 – £25,296	£14,668 – £25,296
Intermediate rate	21%	£25,297 – £43,662	£25,297 – £43,662
Higher Rate	41%	£43,663 – £150,000	£43,663 – £150,000
Top rate	46%	Over £150,000	Over £150,000

### Income Tax Rates and bands for Wales

Band	Wales Tax Rate	2022/2023 Taxable Income
Personal Allowance	0%	Up to £12,570
Basic Rate	20%	£12,571 to £50,270
Higher Rate	40%	£50,271 to £150,000
Additional Rate	45%	over £150,000

# National Minimum Wage (NMW) and National Living Wage (NLW)

HMRC rules on how much an employer must pay their employees is based on the employees' age and if they are an apprentice. The rules are:

- Employees under the school leaving age should get the National Minimum Wage
- Employees that are 23 years old should get the National Living Wage
- Apprentices under 19 years, or those over 19 but in their first year of apprenticeship are entitled to apprentice rates.
- Apprentices are entitled to National Minimum Wage if they are over 19 years old and have finished their first year of apprenticeship.

## 2022/2023 rates

	23 and over	21 to 22	18 to 20	Under 18	Apprentice
April 2022	£9.50 per hour	£9.18 per hour	£6.83 per hour	£4.81 per hour	£4.81 per hour

## PAYE Tax thresholds, rates and codes

### Emergency tax codes

The emergency tax codes from 6 April 2022 are: 1257L W1, 1257L M1 and 1257L X

### England and Northern Ireland PAYE tax rates and thresholds

PAYE tax rates and thresholds	2022 to 2023
Employee personal allowance	£242 per week £1,048 per month £12,570 per year
English and Northern Irish basic tax rate	20% on annual earnings above the PAYE tax threshold and up to £37,700
English and Northern Irish higher tax rate	40% on annual earnings from £37,701 to £150,000
English and Northern Irish additional tax rate	45% on annual earnings above £150,000

## Scotland PAYE tax rates and thresholds

<b>PAYE tax rates and thresholds</b>	<b>2022 to 2023</b>
Employee personal allowance	£242 per week £1,048 per month £12,570 per year
Scottish starter tax rate	19% on annual earnings above the PAYE tax threshold and up to £2,162
Scottish basic tax rate	20% on annual earnings from £2,163 to £13,118
Scottish intermediate tax rate	21% on annual earnings from £13,119 to £31,092
Scottish higher tax rate	41% on annual earnings from £31,093 to £150,000
Scottish top tax rate	46% on annual earnings above £150,000

## Wales PAYE tax rates and thresholds

<b>PAYE tax rates and thresholds</b>	<b>2022 to 2023</b>
Employee personal allowance	£242 per week £1,048 per month £12,570 per year
Welsh basic tax rate	20% on annual earnings above the PAYE tax threshold and up to £37,700
Welsh higher tax rate	40% on annual earnings from £37,701 to £150,000
Welsh additional tax rate	45% on annual earnings above £150,000

# National Insurance Contributions

**Class 1 National Insurance** : *You can only make National Insurance deductions on earnings above the lower earnings limit.*

## Class 1 National Insurance thresholds

Class 1 National Insurance thresholds	2022 to 2023		
Lower Earnings limit	£123 per week,	£533 per month	£6,396 per year
Primary threshold	<b>6 April 2022 to 5 July 2022:</b>		
	£190 per week	£823 per month	£9,880 per year
	<b>6 July 2022 to 5 April 2023:</b>		
	£242 per week	£1,048 per month	£12,570 per year
Secondary threshold	<b>Directors For the whole tax year:</b>		
	£229 per week		£11,908 per year
Freeport upper secondary threshold	£175 per week	£758 per month	£9,100 per year
Upper secondary threshold (under 21)	£481 per week	£2,083 per month	£25,000 per year
Apprentice upper secondary threshold (apprentice under 25)	£967 per week	£4,189 per month	£50,270 per year
Veteran's upper secondary threshold	£967 per week	£4,189 per month	£50,270 per year
Upper earnings limit	£967 per week	£4,189 per month	£50,270 per year

## Class 1 National Insurance rates

### Employee / Primary Contributions rates

National Insurance category letter	Earnings at or above lower earnings limit up to and including primary threshold	Earnings above the primary threshold up to and including upper earnings limit	Balance of earnings above upper earnings limit
A	0%	13.25%	3.25%
B	0%	7.1%	3.25%
C	nil	nil	nil
F (Freeport)	0%	13.25%	3.25%
H (apprentice under 25)	0%	13.25%	3.25%
I (Freeport — married women and widows reduced rate)	0%	7.1%	3.25%
J	0%	3.25%	3.25%
L (Freeport — deferment)	0%	3.25%	3.25%
M (under 21)	0%	13.25%	3.25%
S (Freeport — state pensioner)	nil	nil	nil
V (veteran)	0%	13.25%	3.25%
Z (under 21 — deferment)	0%	3.25%	3.25%

**Employer / Secondary Class 1 National Insurance rates**

<b>National Insurance category letter</b>	<b>Earnings at or above lower earnings limit up to and including secondary threshold</b>	<b>Earnings above secondary threshold up to and including Freeport upper secondary threshold</b>	<b>Earnings above Freeport upper secondary threshold up to and including upper earnings limit, upper secondary thresholds for under 21s, apprentices and veterans</b>	<b>Balance of earnings above upper earnings limit, upper secondary thresholds for under 21s, apprentices and veterans</b>
<b>A</b>	0%	15.05%	15.05%	15.05%
<b>B</b>	0%	15.05%	15.05%	15.05%
<b>C</b>	0%	15.05%	15.05%	15.05%
<b>F (Freeport)</b>	0%	0%	15.05%	15.05%
<b>H (apprentice under 25)</b>	0%	0%	0%	15.05%
<b>I (Freeport — married women and widows reduced rate)</b>	0%	0%	15.05%	15.05%
<b>J</b>	0%	15.05%	15.05%	15.05%
<b>L (Freeport — deferment)</b>	0%	0%	15.05%	15.05%
<b>M (under 21)</b>	0%	0%	0%	15.05%
<b>S (Freeport — state pensioner)</b>	0%	0%	15.05%	15.05%
<b>V (veteran)</b>	0%	0%	0%	15.05%
<b>Z (under 21 — deferment)</b>	0%	0%	0%	15.05%



## Class 1A

The rate of Class 1A National Insurance is the same as Class 1 (secondary) NI.

## Class 1B

The rate of Class 1B National Insurance is the same as Class 1 (secondary) NI.

## Self-employed Class 2 and Class 4 National Insurance

### Class 2 National Insurance

#### Class 2 NI Small profits threshold

	2022/23
Small profits threshold	£6,725

### Weekly tax rates

	2022/23
Annual profits (£ a year)	Per Week
Below Small Profits Threshold	£3.15 (voluntary)
Above Small Profits Threshold	£3.15
Special Class 2 rate for share fishermen	£3.80
Special Class 2 rate for volunteer development workers	£6.15

## Class 4 National Insurance

### Class 4 NI Contribution threshold

	Contribution threshold
Lower Profits Limit	£9,880
Upper Profits Limit	£50,270

### Class 4 NI Contribution rates

	Contribution rates
Annual profits band	NIC rate (per cent)
Below Lower Profits Limit	0%
Lower Profits Limit to Upper Profits Limit	10.25%
Above Upper Profits Limit	3.25%

## Class 3 National contributions

### Weekly rates

	2022/23
Voluntary contributions	£15.85

# Employment Allowance

Allowance	2022 to 2023 rate
Employment Allowance	£5,000

# Apprenticeship Levy

Allowance or charge	2022 to 2023 rate	Allowance or charge
Apprenticeship Levy allowance	£15,000	Apprenticeship Levy allowance

# Statutory Maternity, Paternity, Adoption, Shared Parental and Parental Bereavement Pay

Type of payment or recovery	2022 to 2023 rate
Statutory Maternity Pay — weekly rate for first 6 weeks	90% of the employee's average weekly earnings
Statutory Maternity Pay — weekly rate for remaining weeks	£156.66 or 90% of the employee's average weekly earnings, whichever is lower
Statutory Paternity Pay (SPP) — weekly rate	£156.66 or 90% of the employee's average weekly earnings, whichever is lower
Statutory Adoption Pay (SAP) — weekly rate for first 6 weeks	90% of the employee's average weekly earnings
Statutory Adoption Pay — weekly rate for remaining weeks	£156.66 or 90% of the employee's average weekly earnings, whichever is lower
Statutory Shared Parental Pay (ShPP) — weekly rate	£156.66 or 90% of the employee's average weekly earnings, whichever is lower
Statutory Parental Bereavement Pay (SPBP) — weekly rate	£156.66 or 90% of the employee's average weekly earnings, whichever is lower
SMP, SPP, ShPP, SAP or SPBP — proportion of your payments you can recover from HMRC	92% if your total Class 1 National Insurance (both employee and employer contributions) is above £45,000 for the previous tax year  103% if your total Class 1 National Insurance for the previous tax year is £45,000 or lower

## Statutory Sick Pay (SSP)

Unrounded daily rates	Number of qualifying days in week	1 day to pay	2 days to pay	3 days to pay	4 days to pay	5 days to pay	6 days to pay	7 days to pay
£14.1929	7	£14.20	£28.39	£42.58	£56.78	£70.97	£85.16	£99.35
£16.5583	6	£16.56	£33.12	£49.68	£66.24	£82.80	£99.35	—
£19.87	5	£19.87	£39.74	£59.61	£79.48	£99.35	—	—
£24.8375	4	£24.84	£49.68	£74.52	£99.35	—	—	—
£33.1167	3	£33.12	£66.24	£99.35	—	—	—	—
£49.675	2	£49.68	£99.35	—	—	—	—	—
£99.35	1	£99.35	—	—	—	—	—	—

## Student loan and postgraduate loan recovery

Rate or threshold	2022 to 2023 rate		
Employee earnings threshold for student loan plan 1	£20,195 per year	£1,682.91 per month	£388.36 per week
Employee earnings threshold for student loan plan 2	£27,295 per year	£2,274.58 per month	£524.90 per week
Employee earnings threshold for student loan plan 4	£25,375 per year	£2,114.58 per month	£487.98 per week
Student loan deductions	9%		
Employee earnings threshold for postgraduate loan	£21,000 per year	£1,750.00 per month	£403.84 per week
Postgraduate loan deductions	6%		

# Dividend Tax

Dividend tax rates	Thresholds 2022/23	Dividend Tax Rate 2022/23
Personal Allowance: no tax paid on income in this band.	£0 – £12,570	0%
Basic-rate tax payers	£12,571 – £50,270	8.75% on dividends earned above dividend allowance.
Higher-rate taxpayers	£50,271 – £150,000	33.75%
Additional-rate taxpayers	£150,001 upwards	39.35%

# Capital Gains Tax (CGT)

The annual exempt amount for Capital Gains Tax is the same for 2021/22 and for 2022/23:

£12,300 for individuals

£6,150 for trusts

## Basic rate taxpayers

	2022/23 Capital Gains Tax
Gains from other residential property	18%
Gains from other chargeable assets	10%

## Higher Rate Taxpayers

	2022/23 Capital Gains Tax
Gains from other residential property	28%
Gains from other chargeable assets	20%

# Capital Allowances

## Plant and machinery Allowances

Plant and machinery allowances	Rate
Expenditure 1.4.21 - 31.3.23 (companies only) Super-deduction (main pool expenditure)	130%
First-year allowance (special rate pool expenditure)	50%
Annual Investment Allowance (AIA) Expenditure 1.1.19 - 31.3.23 of up to £1,000,000	100%
New electric vans	100%
Writing down allowance: general pool (reducing balance)	18%
Writing down allowance: special rate pool (reducing balance)*	6%

## Structures and buildings allowance

	Allowance
Fixed deduction per annum	3%

## Motor cars purchased

	From 1.4.21 CO2 (g/km)	1.4.18 to 31.3.21 CO2 (g/km)	Allowance
New cars only	Nil	up to 50	100%
In general pool	up to 50	up to 110	18%
In special rate pool	above 50	above 110	6%

# Corporation tax

Year to	31.3.2023	31.3.2022
Corporation Tax rate	19%	19%

## Research and development relief

*Additional deduction for qualifying R&D*

Scheme		Additional deduction
SME enhanced expenditure deduction scheme	130%	Taxable expenditure credit for qualifying R&D
Large company R&D Expenditure Credit (RDEC) scheme	13%	SMEs that make losses can surrender the deduction to HMRC in exchange for a payment of 14.5% of the loss (capped at £20,000 plus 3 x PAYE & NIC for periods beginning from 1.4.21).

## Reduced tax charge on gifts within 7 years before death

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

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

# Inheritance tax

	2022/23	2021/22
Nil rate band (NRB) £1 - £325,000	0%	0%
Over £325,000	40%	40%
Main exemptions		Gifts on marriage or civil partnership
Annual gifts per donor	£3,000	Parent
Small gifts per donee	£250	Grandparent/remoter ancestor
Normal expenditure out of income	Exempt	Other

# VAT

	2022/23 VAT Rate	2021/22 VAT Rate
Standard rate: The rate of VAT which applies to most goods and services.	20%	20%
Reduced rate: A lower rate applicable to certain goods and services, such as electricity and gas.	5%	5%
Zero rate: Applied to some goods and services, such as food or children's clothing.	0%	0%



# Pensions

## Registered pensions

Registered Pensions	2022/23	2021/22
Lifetime Allowance (LA)	£1,073,100	£1,073,100
Annual Allowance (AA). Annual relievable pension inputs are the higher of earnings (capped at AA) or £3,600. Usually tapered down, to a minimum of £4,000, when adjusted income exceeds £240,000.	40,000	40,000

## State pension

State pension (per week)	2022/23	2021/22
Old state pension	£141.85	£137.60
New state pension Applies to those reaching state retirement age after 5 April 2016.	185.15	179.60

## Annual investment limits

	2022/23	2021/22
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	100,000	100,000
Venture Capital Trust (VCT) – 30% relief	200,000	200,000

# High Income Child Benefit Charge (HICBC)

1% of child benefit for each £100 of adjusted net income between £50,000 and £60,000.

Remittance basis charge	2022/23	2021/22
For non-UK domiciled individuals who have been UK resident in at least:		
7 of the preceding 9 tax years	£30,000	£30,000
12 of the preceding 14 tax years	60,000	60,000
15 of the preceding 20 tax years	Deemed to be UK domiciled	Deemed to be UK domiciled

## Creative sector tax relief

Payable credit rates	2022/23	2021/22
Film tax relief	25%	25%
High end television tax relief	25%	25%
Video games tax relief	25%	25%
Theatre tax relief	50%	25%
Orchestra tax relief	50%	25%
Museums and galleries exhibition tax relief	50%	25%

# Vehicle benefits – Mileage allowances, car, van and fuel benefits

## Cars

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

2022/23			2021/22 percentage for petrol cars first registered	
CO2 g/km	Electric Range miles	All Cars %	Pre 6.04.2020 %	Post 5.04.2020 %
0	N/A	2	1	1
1-50	>130	2	2	1
1-50	70 - 129	5	5	4
1-50	40 - 69	8	8	7
1-50	30 - 39	12	12	11
1-50	<30	14	14	13
51-54	N/A	15	15	14

There is 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%.

## Tax-free mileage allowance

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

## Car and fuel scale benefits

Car benefit	Percentage (see below) of list price
Fuel benefit - cars	£25,300
Van benefit	£3,600
Fuel benefit - vans	£688

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

- Car: CO2-based percentage from above table multiplied by £25,300 (2021/22: £24,600).
- Van: £688 (2021/22: £669).

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).

## Vans

Chargeable value of £3,600 (2021/22: £3,500) if private use is more than home-to-work. Zero-emission vans charged at £Nil (2021/22: £Nil).

## Land remediation tax relief

	2022/23	2021/22
Additional tax deduction	50%	50%
Payable tax credit on surrenderable loss	16%	16%

## Patent Box

	2022/23	2021/22
Effective rate of tax on qualifying profits	10%	10%

## Stamp duty

Consideration on shares over £1,000 at 0.5%

## Property Stamp taxes

Residential	England & NI	Scotland
Price/premium payable	SDLT	LBTT
£1 - £125,000	Nil	Nil
£125,001 - £145,000	2%	Nil
£145,001 - £180,000	2%	2%
£180,001 - £250,000	2%	2%
£250,001 - £325,000	5%	5%
£325,001 - £400,000	5%	10%
£400,001 - £750,000	5%	10%
£750,001 - £925,000	5%	12%
£925,001 - £1.5m	10%	12%
Over £1.5m	12%	12%

# Residential Leases

## Residential lease for first property only

If you are buying property for the first time, you will be exempt from SDLT for purchases up to £300,000 and for the first £300,000 of purchases up to £500,000.

You will also get relief from LBTT for the first £175,000 of relevant property purchases.

SDLT - England & NI		LBTT - Scotland		LTT - Wales	
£000	Rate	£000	Rate	£000	Rate
Up to 125	Nil	Up to 145	Nil	Up to 180	Nil
125 - 250	2%	145 – 250	2%	180 – 250	3.5%
250 – 925	5%	250– 325	5%	250 – 400	5.0%
925 – 1,500	10%	325 – 750	10%	400 – 750	7.5%
Over 1,500	12%	Over 750	12%	750 – 1,500	10.0%
				Over 1,500	12.0%

The taxes attract a supplement at the rate of 3% for LBTT and 4% for LTT of the total purchase price - where an additional residential property is purchased for more than £40,000 (unless replacing a main residence). The rate also applies to corporate purchasers.

For SDLT:

- A 2% supplement applies on property bought by a non-UK resident.
- If the property is valued above £500,000 and purchased by a 'non-natural person' (for example, a company) - a 15% rate may apply to the total purchase price.

## Non-residential or mixed-use property

SDLT - England & NI		LBTT - Scotland		LTT - Wales	
£000	Rate	£000	Rate	£000	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%

## Annual tax on enveloped dwellings

Residential property value	2022/23	2020/21
£500,001 - £1m	£3,800	£3,700
£1m - £2m	£7,700	£7,500
£2m - £5m	£26,050	£25,300
£5m - £10m	£60,900	£59,100
£10m - £20m	£122,250	£118,600
Over £20m	£244,750	£237,400

## Residential property developer tax

Profits over:	Rate
£25m	4%

## Non domiciled remittance basis users

	2022/23	2021/22
Personal allowance	Nil	Nil
Capital gains tax annual exemption	Nil	Nil
Remittance basis charge		
Unremitted income less than £2,000	Nil	Nil
Resident in at least 7 of the previous 9 tax years	£30,000	£30,000
Resident in at least 12 of the previous 14 tax years	£60,000	£60,000

## Individual Savings account

Maximum annual investment	2022/23	2021/22
Cash and shares combined limit	£20,000	£20,000
Lifetime ISA	£4,000	£4,000
Junior ISA	£9,000	£9,000

## Tax efficient savings and investments

Maximum annual investment	2021/22	2020/21
Seed enterprise investment scheme (SEIS)	£100,000	£100,000
Venture capital trusts (VCTs)	£200,000	£200,000
Enterprise investment scheme (EIS)	£1m	£1m
Social investment tax relief	£1m	£1m

## Flat Rate Scheme (FRS)

Annual taxable turnover to enter scheme	Up to £150,000
Must leave scheme if annual gross turnover	Exceeds £230,000

## Cash accounting and Annual accounting schemes

Annual taxable turnover to enter scheme	Up to £1.35m
Must leave scheme if annual taxable turnover	Exceeds £1.60m

## Digital Service tax

2% tax on revenue that is more than £25m derived from search engines, social media services and online marketplaces – from UK users. It is also chargeable on some digital businesses with global in scope revenues exceeding £500m pa.





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