



TAX RATES 2026/27

## INCOME TAX

<b>Personal allowances</b>	<b>2026/27</b>	<b>2025/26</b>
Personal Allowance (PA)	£12,570	£12,570
PA restricted by £1 for every £2 of 'adjusted net income' over	£100,000	£100,000
Transferable tax allowance for married couples and civil partners	£1,260	£1,260
Blind Person's Allowance	£3,250	£3,130

<b>Income Tax bands and rates. UK taxpayers, excluding Scottish taxpayers*</b>	<b>2026/27</b>	<b>2025/26</b>
Basic rate band:	£37,700	£37,700
Savings	20%	20%
Non-savings	20%	20%
Dividends	10.75%	8.75%
Gift Aid and pension contributions can extend basic rate band		
Higher rate band:	£37,701-£125,140	£37,701-£125,140
Savings	40%	40%
Non-savings	40%	40%
Dividends	35.75%	33.75%
Additional rate band:	Over £125,140	Over £125,140
Savings	45%	45%
Non-savings	45%	45%
Dividends	39.35%	39.35%

<b>Child benefit</b>	<b>2026/27</b>	<b>2025/26</b>
One child (per week)	£27.05	£26.05
Additional children (per week)	£17.90	£17.25
High-Income Child Benefit Charge: 1% for every £200 of income over:	£60,000	£60,000
Child benefit fully repayable if income over	£80,000	£80,000

<b>Other allowances</b>	<b>2026/27</b>	<b>2025/26</b>
Personal Savings Allowance:		
Basic rate taxpayers	£1,000	£1,000
Higher rate taxpayers	£500	£500
Additional rate taxpayers	£0	£0
Starting rate band for savings		
Savings starting rate: 0%	£5,000	£5,000
Reduces by £1 for every £1 of non-savings income > PA		
Dividend Allowance	£500	£500
Rent-a-room relief amount	£7,500	£7,500
Trading/Property Allowance (each)	£1,000	£1,000

<b>*Scottish taxpayers</b>	<b>2026/27</b>	<b>2025/26</b>
Starter rate band:	£0 - £3,967	£0 - £2,827
Non-dividend, non-savings income	19%	19%
Basic rate band:	£3,968 - £16,956	£2,828 - £14,921
Non-dividend, non-savings income	20%	20%
Intermediate rate band:	£16,957 - £31,092	£14,922 - £31,092
Non-dividend, non-savings income	21%	21%
Higher rate band:	£31,093 - £62,430	£31,093 - £62,430
Non-dividend, non-savings income	42%	42%
Advanced rate band:	£62,431 - £125,140	£62,431 - £125,140
Non-dividend, non-savings income	45%	45%
Top rate band:	Over £125,140	Over £125,140
Non-dividend, non-savings income	48%	48%

<b>Rates applicable to trusts (accumulated and discretionary income):</b>	<b>2026/27</b>	<b>2025/26</b>
Savings	45%	45%
Non-savings	45%	45%
Dividends	39.35%	39.35%

## SAVINGS & INVESTMENTS

Individual Savings Accounts (ISAs)	2026/27	2025/26
ISA annual limit (cash and shares combined)	£20,000	£20,000
Lifetime ISA annual limit	£4,000	£4,000
Lifetime ISA withdrawal charge	25%	25%
Help to buy ISA limit per month (closed to new accounts November 2019)	£200	£200
Junior ISA/Child Trust Fund annual limit	£9,000	£9,000

Venture capital	2026/27	2025/26
Maximum individual investment:		
Enterprise Investment Scheme (EIS)	£1,000,000	£1,000,000
EIS, where amounts over £1m invested in 'knowledge-intensive' companies	£2,000,000	£2,000,000
Seed EIS (SEIS)	£200,000	£200,000
Venture Capital Trust (VCT)	£200,000	£200,000
Maximum Income Tax reduction:		
EIS	30%	30%
SEIS	50%	50%
VCT	20%	30%

Pensions	2026/27	2025/26
Annual Allowance limit	£60,000	£60,000
Tapered Annual Allowance (reduced by £1 for every £2 over the 'adjusted income' limit):		
Adjusted income	£260,000	£260,000
Threshold income	£200,000	£200,000
Minimum tapered Annual Allowance	£10,000	£10,000
Maximum gross tax-relieved contributions with no relevant earnings	£3,600	£3,600
Money Purchase Annual Allowance	£10,000	£10,000
Lump Sum and Death Benefit Allowance	£1,073,100	£1,073,100
Lump Sum Allowance	£268,275	£268,275

## CAPITAL GAINS TAX (CGT)

Exemptions	2026/27	2025/26
Annual exemption for individuals, estates, etc	£3,000	£3,000
Annual exemption for trusts generally	£1,500	£1,500

Rates	2026/27	2025/26
Individuals:		
Basic rate	18%	18%
Higher rate	24%	24%
Basic rate residential property gains	18%	18%
Higher rate residential property gains	24%	24%
Carried interest gains	N/A	32%
Trusts and personal representatives	24%	24%

Reliefs	2026/27	2025/26
Business Asset Disposal Relief (BADR): lifetime limit	£1,000,000	£1,000,000
BADR: rate of tax on qualifying gains	18%	14%
Investors' Relief: lifetime limit	£1,000,000	£1,000,000
Investors' Relief: rate of tax on qualifying gains	18%	14%

## INHERITANCE TAX (IHT)

Exemptions and nil rates	2026/27	2025/26
Nil Rate Band	£325,000	£325,000
Residence Nil Rate Band	£175,000	£175,000
Reduced by 50% of the excess for estates exceeding	£2,000,000	£2,000,000
Maximum at nil rate, including maximum nil rate band transfers from spouse/civil partner	£1,000,000	£1,000,000
Agricultural Property Relief and Business Property Relief 100% allowance	£2,500,000	N/A

Rates	2026/27	2025/26
Chargeable lifetime transfers	20%	20%
Transfers on, or within seven years of, death	40%	40%
Transfers on death, where 10% or more is left to charity	36%	36%
Taper relief on IHT payable for gifts made within seven years of death		
0 - <3 years	0%	0%
3 - <4 years	20%	20%
4 - <5 years	40%	40%
5 - <6 years	60%	60%
6 - <7 years	80%	80%
More than 7 years	Exempt	Exempt

Exemptions and reliefs	2026/27	2025/26
Gifts to long-term UK resident spouse (or non-long-term UK resident with election)	Unlimited	Unlimited
Gifts to non-long-term UK resident spouse	£325,000	£325,000
Annual exempt gifts (per donor): can be carried forward one year	£3,000	£3,000
Small gifts exemption (per donee)	£250	£250
Wedding gift from parent	£5,000	£5,000
Wedding gift from grandparent	£2,500	£2,500
Wedding gift from others	£1,000	£1,000
Regular gifts out of income	Unlimited	Unlimited
Gifts to charities	Unlimited	Unlimited
Business Property Relief		
Controlling interest in listed company	50% relief	50% relief
Personal assets used by partnership or company you control	50% relief	50% relief
Interest in a trading business	100% relief*	100% relief
Shares in an unquoted trading company	100% relief*	100% relief
AIM shares	50% relief	100% relief
*subject to £2.5m 100% allowance, with 50% relief thereafter		
Agricultural Property Relief (applicable to agricultural value)	100% relief* generally	100% relief generally
	50% relief in some cases	50% relief in some cases
*subject to £2.5m 100% allowance, with 50% relief thereafter		

## STAMP DUTIES & ANNUAL TAX ON ENVELOPED DWELLINGS (ATED)

<b>Stamp Duty and Stamp Duty Reserve Tax</b>	<b>2026/27</b>	<b>2025/26</b>
Subscription to newly issued shares	0%	0%
Most other stocks and marketable securities		
Subject to variation, including for shares newly listed on a UK-regulated market.	0.5%	0.5%

<b>Stamp Duty Land Tax: non-residential or mixed property</b>	<b>2026/27</b>	<b>2025/26</b>
Standard rates:		
£0 - £150,000	0%	0%
£150,001 - £250,000	2%	2%
£250,001+	5%	5%
Leases (net present value of rent):		
£0 - £150,000	0%	0%
£150,001 - £5,000,000	1%	1%
£5,000,000+	2%	2%
Qualifying purchases in Freeport tax sites and Investment Zones are eligible for full relief from SDLT.		

<b>Stamp Duty Land Tax: residential property</b>	<b>2026/27</b>	<b>2025/26</b>
First-time buyers where cost of property less than:	£500,000	£500,000
£0 - £300,000	0%	0%
£300,001 - £500,000	5%	5%
If the cost is more than £500,000, the standard rates apply.		
Standard rates:		
£0 - £125,000	0%	0%
£125,001 - £250,000	2%	2%
£250,001 - £925,000	5%	5%
£925,001 - £1,500,000	10%	10%
£1,500,001+	12%	12%
Supplement for second home/buy-to-let and companies	5%	5%
Not applicable if consideration less than	£40,000	£40,000
Higher rate for non-natural person with non-qualifying activity  (applies to companies, partnerships with a company partner and collective investment schemes)	17% if >£500,000	17% if >£500,000
Leases (net present value of rent):		
£0 - £125,000	0%	0%
Over £125,001	1%	1%
Surcharge for non-UK residents (£40,000+)	2%	2%

## STAMP DUTIES & ATED

<b>Scotland – Land and Buildings Transaction Tax (LBTT): non-residential or mixed property</b>	<b>2026/27</b>	<b>2025/26</b>
Standard rates:		
£0 - £150,000	0%	0%
£150,001 - £250,000	1%	1%
£250,001+	5%	5%

<b>Wales – Land Transaction Tax (LTT): non-residential or mixed property</b>	<b>2026/27</b>	<b>2025/26</b>
Standard rates:		
£0 - £225,000	0%	0%
£225,001 - £250,000	1%	1%
£250,001 - £1,000,000	5%	5%
£1,000,001+	6%	6%

<b>Scotland – Land and Buildings Transaction Tax (LBTT): residential property</b>	<b>2026/27</b>	<b>2025/26</b>
Standard rates:		
£0 - £145,000	0%	0%
£145,001 – £250,000	2%	2%
£250,001 - £325,000	5%	5%
£325,001 - £750,000	10%	10%
£750,001+	12%	12%
First-time buyers	0% on the first £175,000	0% on the first £175,000

<b>Wales – Land Transaction Tax (LTT): residential property</b>	<b>2026/27</b>	<b>2025/26</b>
Standard rates:		
£0 - £225,000	0%	0%
£225,001 - £400,000	6%	6%
£400,001 - £750,000	7.5%	7.5%
£750,001 - £1,500,000	10%	10%
£1,500,001+	12%	12%

### VAT

<b>Annual Tax on Enveloped Dwellings</b>	<b>2026/27</b>	<b>2025/26</b>
Applies if market value on valuation date exceeds:	£500,000	£500,000
Valuation dates	1 April 2022 or the date the property was acquired (if later)	
Annual charge if taxable value is £500,001 - £1,000,000	£4,600	£4,450
£1,000,001 - £2,000,000	£9,450	£9,150
£2,000,001 - £5,000,000	£32,200	£31,050
£5,000,001 - £10,000,000	£75,450	£72,700
£10,000,001 - £20,000,000	£151,450	£145,950
£20,000,001 +	£303,450	£292,350

	<b>2026/27</b>	<b>2025/26</b>
Registration threshold (taxable turnover, i.e. excl. exempt)	£90,000	£90,000
Deregistration threshold	£88,000	£88,000
Rates:		
Standard	20%	20%
Reduced	5%	5%
Zero	0%	0%
Cash accounting & Annual accounting:		
Taxable turnover upper limit for joining	£1,350,000	£1,350,000
Flat Rate Scheme:		
Taxable turnover upper limit for joining	£150,000	£150,000

## CORPORATION TAX

	2026/27	2025/26
Small profits rate (profits < lower limit below)	19%	19%
Main rate (profits > upper limit below)	25%	25%
Marginal relief lower limit	£50,000	£50,000
Marginal relief upper limit	£250,000	£250,000
Reduced for short accounting periods and associated companies		
Effective marginal rate for profits between the lower limit and the upper limit	26.5%	26.5%
Tax on overdrawn director loan accounts and other loans to participators	35.75%	33.75%

<b>Patent Box and Research and Development (R&amp;D)</b>	2026/27	2025/26
Patent Box effective rate	10%	10%
R&D capital expenditure relief	100%	100%
R&D merged scheme expenditure credit	20%	20%
Notional tax rate for loss-making companies	19%	19%
R&D intensive SME deduction rate	186%	186%
R&D intensive SME payable credit	14.5%	14.5%
(Where qualifying R&D expenditure is >30% of total expenditure)		

## CAPITAL ALLOWANCES

	2026/27	2025/26
Annual Investment Allowance (100%) up to	£1,000,000	£1,000,000
Plant and machinery general pool Writing Down Allowance (WDA)	14%	18%
Special rate WDA (e.g. integral features and certain long-life assets)	6%	6%
Full expensing (main rate assets, companies only)	100%	100%
Full expensing (special rate assets, companies only)	50%	50%
Small pool WDA where balance <£1,000	100%	100%
First Year Allowance for electric charge-points	100%	100%
First Year Allowance for main rate expenditure (from 1 January 2026)	40%	40%
Structures and Buildings Allowance (SBA)	3%	3%

<b>Capital allowance: cars</b>	2026/27	2025/26
New and unused with CO2 emissions of 0g/km (First Year Allowance)	100%	100%
New or second-hand with CO2 emissions of up to 50g/km (WDA)	14%	18%
New or second-hand with CO2 emissions above 50g/km (WDA)	6%	6%
Include cars used by sole traders or partnerships with private use in a single asset pool		

# NATIONAL INSURANCE

## CLASS 1 (EMPLOYERS & EMPLOYEES) THRESHOLDS

	2026/27			2025/26		
	Weekly	Monthly	Yearly	Weekly	Monthly	Yearly
Lower Earnings Limit (LEL)	£129	£559	£6,708	£125	£542	£6,500
Primary Threshold (PT)	£242	£1,048	£12,570	£242	£1,048	£12,570
Upper Earnings Limit (UEL)	£967	£4,189	£50,270	£967	£4,189	£50,270
Secondary Threshold (ST)	£96	£417	£5,000	£96	£417	£5,000
Freeport Upper Secondary Threshold	£481	£2,083	£25,000	£481	£2,083	£25,000
Upper Secondary Threshold (under 21)	£967	£4,189	£50,270	£967	£4,189	£50,270
Apprentice (under 25) Upper Secondary Threshold	£967	£4,189	£50,270	£967	£4,189	£50,270
Veterans' Upper Secondary Threshold	£967	£4,189	£50,270	£967	£4,189	£50,270
Investment Zone Upper Secondary Threshold	£481	£2,083	£25,000	£481	£2,083	£25,000

### RATES

	2026/27	2025/26
Employees' main rate (PT to UEL)	8%	8%
Employees' lower rate (above UEL)	2%	2%
Employers' rate*	15%	15%
*No employer's NIC on employees under 21, apprentices under 25, Freeport and Investment Zone employees and veterans in the first year, up to relevant USTs		

### CLASSES 1A AND 1B (EMPLOYERS)

	2026/27	2025/26
Class 1A	15%	15%
Class 1B	15%	15%

### CLASS 3 (VOLUNTARY)

	2026/27	2025/26
Flat rate per week	£18.40	£17.75

### EMPLOYMENT ALLOWANCE

	2026/27	2025/26
Employment Allowance	£10,500	£10,500
Per business and subject to conditions.		

### CLASSES 2 AND 4 (SELF-EMPLOYED)

	2026/27	2025/26
<b>Class 2</b>		
Flat rate per week (voluntary)	£3.65	£3.50
Small Profits Threshold	£7,105	£6,845
<b>Class 4</b>		
Lower Profits Limit	£12,570	£12,570
Upper Profits Limit	£50,270	£50,270
Rate: Lower Profits Limit to Upper Profits Limit	6%	6%
Rate: above Upper Profits Limit	2%	2%

**NATIONAL LIVING WAGE (NLW) /  
NATIONAL MINIMUM WAGE  
(NMW) RATES**

	<b>2026/27</b>	<b>2025/26</b>
Employees over 21	£12.71	£12.21
Employees aged 18 – 20	£10.85	£10.00
Apprentices and employees aged 16 – 17	£8.00	£7.55

**FUEL BENEFIT**

	<b>2026/27</b>	<b>2025/26</b>
Fixed amount multiplied by appropriate percentage for car benefit	£29,200	£28,200

**VAN BENEFIT**

	<b>2026/27</b>	<b>2025/26</b>
Zero emission: chargeable amount	Nil	Nil
Other vans: chargeable amount	£4,170	£4,020
Fuel: chargeable amount	£798	£769

**CAR BENEFITS**

<b>Car with CO2 emissions figure of:</b>	<b>Appropriate Percentage 2026/27</b>	<b>Appropriate Percentage 2025/26</b>
0	4%	3%
1-49 and with:		
Electric range of 130+	4%	3%
Electric range of 70 – 129	7%	6%
Electric range of 40 – 69	10%	9%
Electric range of 30 – 39	14%	13%
Electric range of <30	16%	15%
51 – 54	17%	16%
55 – 59	18%	17%
60 – 64	19%	18%
65 – 69	20%	19%
70 – 74	21%	20%
75+	Lower of: - 21% + 1% for each 5g/kg over 75g/km - 37%	Lower of: - 21% + 1% for each 5g/kg over 75g/km - 37%
*Diesel cars: add 4% up to a maximum of 37%.		

**Disclaimer:** This document covers several key UK tax rates, allowances and reliefs, but is not intended to be a complete list thereof. While the authors of this document take great care in its production, it is not exhaustive and should not be relied upon as a full summary of all tax rates, allowances and reliefs applying in the UK. The content displayed in this document is correct as of 3 March 2026, but tax rates, allowances and reliefs can change during a tax year and, therefore, after the production of this document. We cannot take responsibility for any action taken or not taken from this document alone, which is no substitute for professional advice and should not be relied upon as such. Please contact us for personalised advice.

# KEY TAX DEADLINES

## Monthly deadlines

19th	CIS return deadline: payments made to subcontractors up to 5th of month
22nd	Electronic payment of PAYE, NIC and CIS due (19th if not paying electronically)
Last day	Submit Corporation Tax return for year ending 12 months prior

## Corporation Tax payment dates

Profits <£1.5m: 9 months and one day after the end of the accounting period.
Profits £1.5m - £20m: payable in months 7, 10, 13 and 16 after the start of the accounting period.
Profits >£20m: payable in months 3, 6, 9 and 12 after the start of the accounting period.

## April 2026

6th	2026/27 tax year begins
6th	Introduction of Making Tax Digital for Income Tax for self-employed individuals and landlords with total turnover above £50,000
30th	Annual Tax on Enveloped Dwellings (ATED) return and payment due for properties within the scope of ATED on 1st April 2026

## May 2026

31st	Issue P60s to employees
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## July 2026

5th	Deadline to agree PAYE settlement agreements for 2025/26
6th	Deadline to submit forms P11D and P11D(b) for 2025/26, and provide copies to employees
22nd	Electronic payment of 2025/26 Class 1A NIC due (19th July if not paying electronically)
31st	Self Assessment: second 2025/26 payment on account due

## October 2026

5th	Self Assessment: deadline to notify HMRC of chargeability in 2025/26
22nd	Electronic payment of 2025/26 Class 1B NIC and tax due under 2025/26 PAYE settlement agreements (19th October if not paying electronically)
31st	Self Assessment: deadline to file 2025/26 paper tax returns

## December 2026

30th	Self Assessment: 2025/26 tax return submission deadline to request coding-out of liability in 2027/28 PAYE tax code
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## January 2027

31st	Self Assessment: deadline to submit 2025/26 tax returns electronically
31st	Self Assessment: 2025/26 balancing payment due
31st	Self Assessment: first 2026/27 payment on account due

# **PW** PENNINGTON WILLIAMS

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