

Income Tax Allowances

	2020/21	2019/20
Personal allowance	£	£
Income limit	12,500	12,500
Transferable marriage allowance¹	100,000	100,000
Income limit	1,250	1,250
Married couple's allowance² (relief at 10%)		
Either partner born before 6.4.1935	9,075	8,915
Income limit	30,200	29,600
Minimum where income exceeds limit	3,510	3,450
Blind person's allowance	2,500	2,450
Dividend allowance	2,000	2,000
Personal savings allowance		
Basic rate taxpayers	1,000	1,000
Higher rate taxpayers	500	500

Income Tax Rates

Taxable income £	2019/20	Rate %	Dividend rate %
2020/21			
0 - 37,500	0 - 37,500	20	7.5
37,501 - 150,000	37,501 - 150,000	40	32.5
Over 150,000	Over 150,000	45	38.1

Scottish taxpayers (non-savings, non-dividend income only)

Taxable income £	2019/20	Rate %
2020/21		
0 - 2,085	0 - 2,049	19
2,086 - 12,658	2,050 - 12,444	20
12,659 - 30,930	12,445 - 30,930	21
30,931 - 150,000	30,931 - 150,000	41
Over 150,000	Over 150,000	46

Welsh taxpayers

For 2020/21 and 2019/20, the Welsh rates and bands are the same as for the rest of the UK (except Scotland).
A 0% starting rate for savings income only applies to the extent that such income falls within the first £5,000 of taxable income. If taxable non-savings income exceeds the limit, the starting rate does not apply. A 0% rate applies to savings income falling within the personal savings allowance. Income taxable at the starting rate for savings does not fall within the personal savings allowance. A 0% rate applies to dividend income within the dividend allowance.

The trust rate of income tax is 45%. The dividend trust rate is 38.1%.

¹ Available for civil partners.

National Insurance Contributions

2020/21	2019/20
Class 1 (Earnings related)	
Employers	
Weekly earnings	Nil
First £183	12%
£183.01 - £962	2%
Over £962	2%
Employers	
Weekly earnings	Nil
First £169	13.8%
Over £169	

Employees' rates are reduced to 5.85% for married women with valid certificates of election but the 2% rate above £962 still applies. Rates are nil for employees over state pensionable age. Normal employers' contributions are still payable. Employers' rates for employees under 21 and apprentices under 25 are nil on earnings up to £962 per week.

Employment allowance

(per employer) - £4,000 a year.
Available only where the employer's NIC liability for the previous tax year was less than £100,000.

Class 1A and Class 1B - 13.8%

Class 2 (Self-employed) - Flat rate £3.05 a week.
Small profits threshold £6,475 a year.
Class 3 (Voluntary contributions) - £15.30 a week.
Class 4 (Self-employed) - 9% of profits between £9,500 and £50,000 a year. 2% of profits above £50,000 a year.

Inheritance Tax

	2020/21	2019/20
Nil-rate band ¹	£325,000	£325,000
Residence nil-rate band ²	£175,000	£150,000
Rate of tax on excess	40%	40%
Chargeable lifetime transfers	20%	20%

Annual gifts of up to £3,000 per donor are exempt.

¹ Unused nil-rate band is transferable to spouse or civil partner.

² 36% where 10% or more of the net estate is left to charity.

Capital Gains Tax

Annual exempt amounts 2020/21
Individuals, disabled trusts, personal representatives for year of death and two years thereafter
Trusts generally

£	31/3/2021	31/3/2020
12,300	19%	19%
6,150		
Rates 2020/21		
Individuals: Standard rate		
Higher rate	10%	10%
Trustees and personal representatives	20%	20%
Gains on residential property and carried interest	20%	20%
Gains to which entrepreneurs' relief applies ¹	18%/28%	18%/28%
Gains to which investors' relief applies ²	10%	10%

Corporation Tax

Financial Year to	31/3/2021	31/3/2020
Rate	19%	19%

Stamp Taxes

Shares and marketable securities
Transfers of land and buildings¹
Residential (on band of consideration)^{5,6,7}

£0 - £125,000	0%
£125,001 - £250,000	2%
£250,001 - £925,000	5%
£925,001 - £1,500,000	10%
Over £1,500,000	12%

Non-residential (on band of consideration)

£0 - £150,000	0%
£150,001 - £250,000	2%
Over £250,000	5%

Leases (Rent - on band of net present value)⁴

Residential	Non-residential
£0 - £125,000	£0 - £150,000
Over £125,000	£150,001 - £5,000,000
N/A	Over £5,000,000

Premiums⁴

Duty on premiums is the same as for transfers of land.

¹ Subject to lifetime limit on gains of £1 million.
² Subject to lifetime limit on gains of £10 million.
³ Rounded up to the nearest multiple of £5. Transactions of £1,000 or less exempt.
⁴ Transfers of land and leases in Scotland are chargeable to land and buildings transaction tax, and in Wales to land transaction tax. Different rates of tax may apply. Where the consideration exceeds £500,000 and the purchase is by - or by a partnership including - a company or collective investment scheme enveloping the property, the rate is 15% of the total consideration.
⁵ Where the consideration is no more than £500,000 and the purchaser is a first-time buyer, the 0% band is increased to £200,000 (and the 5% rate applies to any consideration above £300,000). Includes qualifying shared ownership property.
⁶ Rates are increased by 3 percentage points for certain purchases, including purchases of additional residential properties by individuals. Transactions under £40,000 are excluded.

Car Benefit

CO ₂ emissions g/km	Electric range (miles)	% of list price	CO ₂ emissions g/km	% of list price
0	N/A	0	100-104	23
1-50	>130	0	105-109	24
1-50	70-129	3	110-114	25
1-50	40-69	6	115-119	26
1-50	30-39	10	120-124	27
1-50	<30	12	125-129	28
51-54		13	130-134	29
55-59		14	135-139	30
60-64		15	140-144	31
65-69		16	145-149	32
70-74		17	150-154	33
75-79		18	155-159	34
80-84		19	160-164	35
85-89		20	165-169	36
90-94		21	170 or more	37
95-99		22		

Except for zero-emissions cars, rates are 2% higher (up to max 37%) for cars registered before 6 April 2020.
4% supplement (up to max 37%) applies to diesel cars which do not meet the RDE2 standard.

Car Fuel Benefit

For 2020/21, car fuel benefit is calculated by applying the above car benefit percentage to a figure of £24,500.

Tax-Free Mileage Allowances

Employee's own vehicle	2020/21
Motorcars and vans	45p
Up to 10,000 business miles	25p
Over 10,000 business miles	5p
Each passenger making same trip	24p
Motorcycles	20p
Cycles	

Advisory fuel rates for company car from 1 March 2020

Cylinder capacity	Petrol	Diesel	LPG
0-1,400 cc	12p	-	8p
0-1,600 cc	-	9p	-
1,401 cc - 2,000 cc	14p	11p	10p
1,601 cc - 2,000 cc	-	11p	-
Over 2,000 cc	20p	13p	14p

Advisory Electricity Rate for fully electric cars is 4p per mile.