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Tax Tables 2024/25

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1. Income Tax Rates

The rates of Income tax are set in the annual budget. It is charged at increasing rates, depending on the amount of income an individual has and from where it has arisen.

The tax rates for the UK (excluding Scotland) are:

2024/25		2023/24	
Rate %	Band	Rate %	Band
0	£1 - £5,000 *	0	£1 - £5,000 *
20	£1 - £37,700	20	£1 - £37,700
40	£37,701 - £125,140	40	£37,701 - £150,000
45	Over £125,140	45	Over £125,140

* The 0% starting rate is applied to savings income, applicable where non-savings taxable income (after allowances) is under £5,000. If non-savings taxable income exceeds £5,000 then the 0% starting rate for savings will not apply.

The Scottish Government have set the following income tax rates for Scotland:

Bands 2024/25	Band name	Rates (%)
£12,570*- £14,876	Starter Rate	19
£14,877 - £26,561	Basic Rate	20
£26,562 - £43,662	Intermediate Rate	21
£43,663 - £75,000	Higher Rate	42
£75,001 to £125,140**	Advanced Rate	45
Above £125,140**	Top Rate	48

* Assumes person is in receipt of the Standard UK Personal Allowance.

** Personal Allowance is reduced by £1 for every £2 earned over £100,000.

In the UK (excluding Scotland), the 20% rate applies to income up to £37,700 in the current tax year and is known as the **basic rate** and the 40% rate on income in excess of £37,700 is known as the **higher rate**. The 45% rate on income in excess of £125,140 is known as the **additional rate**.

A Personal Savings Allowance (PSA) is available to set against interest from savings. Basic rate taxpayers have an allowance of £1,000 on which no tax will be paid, and higher rate taxpayers have an allowance of £500 on which no tax will be paid. Additional rate taxpayers have no PSA and any interest received will be taxed in full.

Most savings interest is paid gross, i.e. with no income tax deducted at source.

Dividends are also paid gross. In 2024/25, all individuals have a dividend allowance of £500 on which no income tax will be charged. Dividend income in excess of £500 in the tax year will be charged at 8.75% for basic rate taxpayers, 33.75% for higher rate taxpayers and 39.35% for additional rate taxpayers.

It is important to understand that although interest and dividends received within the stated annual allowances are taxed at a 0% rate, the amounts are still considered as being taxable income and use up the appropriate tax bands. This can have the result of pushing other taxable income into a higher tax band.

2. Personal Allowances

	2024/25	2023/24
Personal *	£12,570	£12,570
Married couples (and civil partners) allowance (born before 6/4/1935) minimum at 10% **	£4,280	£4,010
Married couples (and civil partners) allowance (born before 6/4/1935) maximum at 10% **	£11,080	£10,375
Marriage Allowance***	£1,260	£1,260
Age related allowances reduced by £1 for every £2 of income over: (Married, born before 6/4/35)**	£37,000	£34,600
Rent-a-room****	£7,500	£7,500
Blind Persons Allowance	£3,070	£2,870
Enterprise Investment Scheme relief limit at 30%	£1,000,000*****	£2,000,000
Venture Capital Trust relief limit at 30%	£200,000	£200,000
Seed Enterprise Investment Scheme at 50%	£200,000	£100,000
Seed Enterprise Investment Scheme CGT reinvestment relief	50%	50%

* The Personal Allowance will be reduced by £1 for every £2 where net income exceeds £100,000, with no personal allowance where income is above £125,140 in 2024/25.

** Married couples and civil partners, where at least one of the couple was born before 6/4/1935, are entitled to the married couples allowance of up to £11,080. This is a restricted allowance, i.e. it does not increase the amount of income that can be received before tax is payable; instead, it reduces the tax bill by 10% of the amount of allowance the individual is entitled to. It is subject to the income limit of £37,000, which means that those with income under this amount will receive the full married couples allowance. However, this allowance is lost at a rate of £1 for every £2 of income that exceeds £37,000. When income reaches £50,600 the married couples allowance is reduced to its lowest level of £4,280. This is worked out as follows: £11,080 - £4,280 = £6,800. This is the total amount of allowance that can be 'lost' at a rate of £1 for every £2 that income exceeds £37,000. So, $[(£6,800 \times 2) + £37,000] = £50,600$.

*** Available for those born after 5/6/1935 – a non-taxpayer can transfer up to 10% of the personal allowance (£1,260 in 2024/25) to a spouse or civil partner who is not a higher rate taxpayer.

**** The lessor must be living in the property at the same time as their tenant for at least some of the letting period.

***** The investment limit for EIS is £1,000,000, but this increases to £2,000,000 if at least £1,000,000 of that is invested in Knowledge Intensive Companies (KICs).

For those receiving Child Benefit, an additional tax charge called the High Income Child Benefit Charge applies to claw back child benefit (by 1% for every £200 of income) where one income in a household exceeds £60,000, with full claw back when income reaches £80,000.

3. Child Tax Credit

	MAXIMUM AMOUNT 2024/25
Family element – the basic payment if responsible for one or more children	£545
Child element – for each child under 16, paid on top of the family element	£3,455
Disabled child element (additional to child element)	£4,170
Severely disabled child element, paid on top of any disability element, making a total of £5,850	£1,680

Child Tax Credit has been replaced by Universal Credit for most people making new claims.

4. Working Tax Credit

	MAXIMUM IN 2024/25
Basic amount is up to	£2,435
Couple living together	£2,500
Single parent	£2,500
30 hour element (where one person works at least 30 hours)	£1,015
Disability element (each disabled worker)	£3,935
Severe disability (each disabled worker in addition to Disability element)	£1,705
Childcare: one child	Entitled to 70% of eligible childcare costs, which are capped at £175/week (max entitlement £175 x 70% = £122.50)
Childcare: two or more children	Entitled to 70% of eligible childcare costs, which are capped at £300/week (max entitlement £300 x 70% = £210)

4A Tax credits income thresholds

The tax credits income thresholds and withdrawal rates are shown below:

Income thresholds and withdrawal rates - £ per year (unless stated)		
	2024/25	2023/24
Rates and Thresholds		
Income threshold	£7,955	£7,455
Withdrawal rate (per cent)	41%	41%
Income threshold for those entitled to Child Tax Credit only	£19,995	£18,725
Income rise disregard	£2,500	£2,500
Income fall disregard	£2,500	£2,500

5. Company Cars

Car benefit

Calculated as a percentage of the list price based on the vehicles' CO2 emissions.

CO2 emissions – grams per kilometre	Electric range	Percentage charge Petrol	Percentage Charge Diesel
0	n/a	2%	6%
1 – 50	>130 miles	2%	6%
1 – 50	70 – 129 miles	5%	9%
1 – 50	40 – 69 miles	8%	12%
1 – 50	30 – 39 miles	12%	16%
1 – 50	< 30 miles	14%	18%
51 – 54		15%	19%
55 – 59		16%	20%
60 – 64		17%	21%
65 – 69		18%	22%
70 – 74		19%	23%
75 – 79		20%	24%
80 – 84		21%	25%
85 – 89		22%	26%
90 – 94		23%	27%
95 – 99		24%	28%
100 -104		25%	29%
105 -109		26%	30%
110 - 114		27%	31%
115 - 119		28%	32%
120 - 124		29%	33%
125 - 129		30%	34%
130 - 134		31%	35%
135 - 139		32%	36%
140 - 144		33%	37%
145 - 149		34%	37%
150 - 154		35%	37%
155 - 159		36%	37%
160 +		37%	37%

- Diesel plug-in hybrids are exempt from the 4% supplement as they are treated as alternative fuel vehicles

Fuel benefit:

Calculated as a percentage of £27,800

Percentage used is from the above table.

Minimum at 15%

£4,170

Maximum at 37%

£10,286

Private vehicles used for work:

Cars

On the first 10,000 business miles in tax year	45p per mile
Each business mile above 10,000 business miles	25p per mile

Motor Cycles

24p per mile

Bicycles

20p per mile

Qualifying passenger

5p per mile

6. National Insurance contributions

Thresholds and rates

Thresholds 2024/25	Weekly	Monthly	Yearly
Lower Earnings Limit (LEL)	£123	£533	£6,396
Primary earnings threshold (employees)	£242	£1,048	£12,570
Secondary earnings threshold (employers)	£175	£758	£9,100
Upper earnings limit (UEL)	£967	£4,189	£50,270

** This figure is used when calculating Director's contributions.*

Class 1 employee contribution rates	Rates
Total earnings per week	
Up to £242	Nil
£242 – £967	8%
Above £967	2%

Class 1 employer contribution rates 2024/25 based on earnings above the employers' secondary earnings threshold of £175 per week.	13.8%
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Businesses and charities can claim a reduction of up to £5,000 (2024/25) of their employers' contributions (Employment Allowance). This is not available if a director is the sole employee, or employer's NICs for 2024/25 are more than £100,000.

In 2024/25, no employer's contributions are payable in respect of weekly earnings up to £967pw paid to employees under age 21 or age 25 for apprentices and veterans in first 12 months of civilian employment.

Reduced rate Class 1 (married women)

Employee:

£242.01 - £967.00 per week	5.85%
Above £967 per week	2.0%

Employer:

13.8%

Class 1A contributions Flat rate of 13.8%

Maximum Class 1 contributions from multiple employments

52 x £725 (£967 - £242) x 12% = £4,524

Class 2 (self-employed) Profits below small profits threshold £6,725
(voluntary) Flat rate £3.45 per week

Class 3 (voluntary) Flat rate - £17.45 per week / £907.40 per year

Class 4 (self-employed) 6% on profits between £12,570 and £50,270
plus
2% on profits above £50,270.

7. Capital Gains Tax

Exemptions

	2024/25	2023/24
Individuals, estates etc	£3,000	£6,000
Trusts generally	£1,500	£3,000
Chattels rule (5/3 excess gain is taxable)	£6,000	£6,000

Rates

Non and Basic Rate taxpayers	10% *	10%
Higher and additional rate taxpayers	20% *	20%
Trusts and estates	20% *	20%

* Rates of capital gains tax are 18% and 28% for gains made from sales of residential property. For all other gains (including sales of business property), the rates of capital gains tax are 10% and 20% (2024/25).

The amount of gain is added to the individual's other income in the tax year to establish the rate of tax to be paid. Any part of the gain falling into the basic income tax rate band is charged at the lower rate and any excess is charged at the higher rate.

Business Asset Disposal Relief

This can be claimed when an individual disposes of a business or a part of a business that has been owned for at least 2 years.

The individual must hold at least 5% of the company's voting rights and also be entitled to at least 5% of either:

- (i) either both the company's distributable profits and the assets available for distribution in a winding up; or
- (ii) the disposal proceeds on the disposal of the ordinary share capital of the company.

Gains that qualify for the relief are taxed at the flat rate of 10%. For gains from disposals on or after 11/3/2020 the lifetime limit is £1 million. Where the £1 million lifetime limit is exceeded, those gains in excess of the limit will be subject to the normal rates of CGT.

In determining the rate at which an individual is charged to CGT, those gains that qualify for Business Asset Disposal Relief are set against any unused basic rate band before non-qualifying gains.

8. ISA Subscription Limits

ISA 2024/25 *	£20,000
Junior ISA 2024/25**	£9,000
Lifetime ISA	£4,000
Help to Buy ISA***	£1,000 initial and £200 per month

* Investment can be in cash or shares.

** Child Trust Funds can be transferred to a Junior ISA.

*** Closed to new accounts but existing savers can continue until November 2029

9. Value Added Tax

Standard Rate	20%
Reduced rate for certain goods and services	5%
Zero-rate	0%
Annual registration limit	£90,000*
De-registration threshold	£88,000*
Flat rate scheme turnover limit	£150,000
Cash and annual accounting schemes turnover limit	£1,350,000

* These thresholds are for 2024/25 and usually increase every tax year.

10. Stamp Duties

Stamp Duty Land Tax

England and Northern Ireland

Commercial property

Property Value:

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

Residential property

Property value:

Up to £250,000*	0%
£250,001 - £925,000	5%
£925,001 - £1,500,000	10%
Over £1,500,000	12%

*This is a temporary higher threshold; reducing back to £125,000 from 1 April 2025.

For residential properties purchased by companies (or similar entities) over £500,000 the rate is 15%.

Rates for first-time buyers purchasing properties worth £625,000 or less:

Property value	Rate of SDLT (on portion of value above threshold) if purchase qualifies for First Time Buyers Relief
0 to £425,000*	0%
£425,000 to £625,000*	5%
Over £625,000*	Standard rates above apply

*First Time Buyers Relief also is also temporarily at higher thresholds of £425,000 and £625,000 and these will also revert back to £300,000 and £500,000 from 1 April 2025.

Scotland – Land & Buildings Transaction Tax (LBTT)

Commercial property

Property value:

£0 - £150,000	0%
£150,001 - £250,000	1%
Over £250,000	5%

Residential property

Property value:

£0 - £145,000	0%
£145,001 - £250,000	2%
£250,001 - £325,000	5%
£325,001 - £750,000	10%
Over £750,000	12%

Second properties

Second properties over £40,000 – add 3% to each band of Stamp Duty Land Tax and 6% to Land & Buildings Transaction Tax. This does not apply where the second property is commercial (e.g. land, with or without planning permission).

Stamp Duty (SD) and Stamp Duty Reserve Tax (SDRT)

Stamp Duty is paid on documents (stock transfer forms) 0.5% *

Stamp Duty Reserve Tax is paid on paperless transactions 0.5%**

* No charge to SD unless amount due exceeds £5, and where payable it is rounded to the nearest £5

** No exemption for SDRT, and it is rounded to the nearest penny.

Shares on listed growth markets such as the Alternative Investment Market (AIM) and Aquis Stock Exchange (AQSE) are not subject to SD or SDRT

11. Corporation Tax

Financial year to 31/3/2025

Full rate on profits	25% *
Diverted profits	31%
Loans to participants	33.75%

Small companies with profits up to £50,000 will pay tax at 19% and those with profits between £50,000 and £250,000 will be taxed at a marginal / tapered rate.

Capital Allowances

The annual investment allowance (AIA) on first £1,000,000 (excludes cars) is 100%
For qualifying expenditure incurred on or after 1 April 2023 but before 1 April 2026:

- 100% first year allowance for main rate expenditure (called 'full expensing')
- 50% first year allowance for special rate expenditure

Writing down allowance (where plant and machinery does not qualify for (AIA, or the AIA is used up)

Plant & machinery	18%
Patent rights, know-how (reducing balance) per annum	25%

Motor cars acquired from April 2021

CO ² 0g/km or less (new cars in first year)	100%
CO ² 1 - 50g/km (reducing balance)	18%
CO ² over 50g/km or more (reducing balance)	6%

New and unused zero emissions goods vehicles	100%
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12. Pension Contributions

Lump Sum Death Benefit Allowance (LSDBA)

2024/25 £1,073,100

Lump Sum Allowance (LSA)

2024/25 £268,275 (25% of the LSDBA)

Annual Allowance*

2024/25 £60,000*

* In some circumstances 'carry forward' may also be allowed from the previous three tax years, by reference to a limit of £60,000 per annum for 2024/25 and 2023/24 (£40,000 for 2022/23 and previous tax years)

The annual allowance is reduced by £1 for every £2 that adjusted income exceeds £260,000 subject to a maximum allowance of £10,000 subject to threshold income being over £200,000.

Money Purchase Annual Allowance

2024/25 £10,000

Unauthorised payment charge

A 40% income tax charge will be levied on the recipient of the payment, and in addition the scheme would also be surcharged at 15% of the value of the unauthorised payment where the unauthorised payment is more than 25% of the fund value.

Minimum pension age

The minimum pension age is currently 55. It is expected to increase to 57 in 2028.

Triviality

Small defined benefit pension funds can be paid as one-off lump sums, 25% tax free and 75% taxable as income from age 55. Maximum triviality lump sum is £30,000.

Flexible Access Drawdown (FAD)

Maximum tax free cash lump sum 25% of fund from age 55

Maximum income – unlimited from age 55

Uncrystallised Funds Pension Lump Sum (UFPLS)

25% tax free, 75% taxable income

Auto-enrolment – minimum contributions

Employer	Employee	Total
3%	5%	8%

Minimum earnings for auto-enrolment is £10,000 2024/25.

13. Inheritance Tax

	2024/25	2023/24
Nil rate band*	£325,000	£325,000
Residence nil rate band **	£175,000	£175,000
Death rate (tax on excess over nil rate band) ***	40%	40%
Lifetime transfers to and from certain trusts	20%	20%
Overseas domiciled spouse/civil partner exemption	£325,000	£325,000

*Up to 100% of the unused proportion of a deceased spouse's/civil partner's Nil-Rate Band and Residence Nil Rate Band can be claimed on the surviving spouse's/civil partner's death.

**Subject to 50% taper for estates above £2,000,000

*** Reduced to 36% where at least 10% of the net estate is left to charity.

Taper relief

Reduced tax charge on gifts within 7 years of death

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

Main Exemptions

- Gifts to UK domiciled spouses/civil partners are 100% exempt
- Gifts to non-UK domiciled spouses/civil partners from UK domiciled spouses/civil partners are exempt up to £325,000

- Individual annual allowance of £3,000 per tax year. Any unused allowance can be carried forward one tax year, however the allowance for that tax year must be used first before any unused allowance can be carried forward
- Individuals can make unlimited small gifts of £250 per person
- Normal expenditure out of income is exempt as long as it does not reduce the donor's standard of living
- Gifts in consideration of marriage/civil partnership (£5,000 by a parent, £2,500 by a party to the marriage/civil partnership or remoter relative and £1,000 by anyone else)
- Gifts to UK registered charities and political parties with at least one Member of Parliament are unlimited
- Gifts for public benefit/national purposes may also be exempt
- Gifts for the maintenance of a family (subject to conditions)

Reliefs

Business relief:

- **100%** - available for interests in unincorporated businesses, sole traders and partnerships. Shareholdings of any size in unquoted and AIM companies.
- **50%** - available for controlling shareholdings in fully listed companies. Land, buildings, plant and machinery used wholly or mainly in connection with a company controlled by the transferor or a partnership in which the transferor was a partner.

Agricultural relief:

- **100%** - available for owner occupied farms and farm tenancies
- **50%** - available for interest of landlords in let farmlands. The 50% relief is increased to 100% for land let under tenancies exceeding 12 months that started after 31 August 1995

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