



TAX RATES 2022 / 23



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Income Tax

Rates and bands (other than savings and dividend income)

| 2022/23 | | 2021/22 | |
|------------------|--------|------------------|--------|
| Band £ | Rate % | Band £ | Rate % |
| 0 - 37,700 | 20 | 0 - 37,700 | 20 |
| 37,701 - 150,000 | 40 | 37,701 - 150,000 | 40 |
| Over 150,000 | 45 | Over 150,000 | 45 |

Income tax rates in Scotland and Wales on income other than savings and dividend income have been devolved.

Savings income

2022/23 and 2021/22

| | |
|-------------------------------|--------|
| Savings allowance basic rate | £1,000 |
| Savings allowance higher rate | £500 |

A starting rate of 0% may be available unless taxable non-savings income exceeds £5,000.

Dividend income

2022/23

2021/22

| | | |
|--------------------------|--------|--------|
| Dividend allowance | £2,000 | £2,000 |
| Dividend ordinary rate | 8.75% | 7.5% |
| Dividend upper rate | 33.75% | 32.5% |
| Dividend additional rate | 39.35% | 38.1% |

Income Tax Reliefs

2022/23

2021/22

| | | | |
|---------------------------------|------------------|----------|---------|
| Personal allowance | £12,570 | £12,570 | |
| Personal allowance income limit | £100,000 | £100,000 | |
| Marriage allowance | £1,260 | £1,260 | |
| Married couple's allowance | £9,415 | £9,125 | |
| | - minimum amount | £3,640 | £3,530 |
| | - income limit | £31,400 | £30,400 |
| Blind person's allowance | £2,600 | £2,520 | |

Individual Savings Accounts

2022/23

2021/22

| | | |
|---------------------------------|---------|---------|
| Overall investment limit | £20,000 | £20,000 |
| Junior account investment limit | £9,000 | £9,000 |

Car, Van and Fuel Benefits

| | | |
|--------------------------------------|-------------|------------------------------|
| 2022/23 | | |
| CO₂ emissions g/km | | % of list price taxed |
| 0 | | 2 |
| 1 - 50 | | |
| Electric range | 130 or more | 2 |
| | 70 - 129 | 5 |
| | 40 - 69 | 8 |
| | 30 - 39 | 12 |
| | under 30 | 14 |
| 51 - 54 | | 15 |
| For every extra 5 | | +1 |
| 160 and above | | 37 |

For fully diesel cars generally add a 4% supplement (unless the car is registered on or after 1 September 2017 and meets the Euro 6d emissions standard) but the maximum is still 37%. For emissions of 75g/km or more if the CO₂ figure does not end in a 5 or 0 round down to the nearest 5 or 0.

2022/23

| | |
|------------------|---------|
| Car fuel benefit | £25,300 |
| Van benefit | £3,600 |
| Van fuel benefit | £688 |

Stamp Duty Land Tax

Land and buildings in England and N. Ireland

Residential rates may be increased by 3% where further residential properties are acquired.

| Residential Band £ | Rate % | Non-residential Band £ | Rate % |
|---------------------------|---------------|-------------------------------|---------------|
| 0 - 125,000 | 0 | 0 - 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 | | |

First-Time Buyer relief may apply to residential purchases up to £500,000.

National Insurance

2022/23 Class 1 (employed) rates

| Employee | | Employer | |
|-------------------|-------|-------------------|-------|
| Earnings per week | % | Earnings per week | % |
| Up to £190* | Nil | Up to £175 | Nil |
| £190.01* - £967 | 13.25 | Over £175 | 15.05 |
| Over £967 | 3.25 | | |

Entitlement to contribution-based benefits for employees retained for earnings between £123 and £190* per week. The employer rate is 0% for certain military veterans, employees under 21 and apprentices under 25 on earnings up to £967 per week. (*£242 from 6 July 2022.)

| | |
|--------------------------------|--|
| Class 1A (employers) | 15.05% on employee taxable benefits |
| Class 1B (employers) | 15.05% on PAYE Settlement Agreements |
| Class 2 (self-employed) | nil on profits between £6,725 and £11,908 plus £3.15 per week where profits over £11,908 |
| Class 3 (voluntary) | flat rate per week £15.85 |
| Class 4 (self-employed) | 10.25% on profits between £11,908 and £50,270 plus 3.25% on profits over £50,270 |

Capital Gains Tax

| Individuals | 2022/23 | 2021/22 |
|------------------------|---------|---------|
| Exemption | £12,300 | £12,300 |
| Standard rate | 10% | 10% |
| Higher/additional rate | 20% | 20% |
| Trusts | | |
| Exemption | £6,150 | £6,150 |
| Rate | 20% | 20% |

Higher rates (18/28%) may apply to the disposal of certain residential property and carried interest.

Business Asset Disposal Relief

The first £1m of qualifying gains are charged at 10%.

Inheritance Tax

| Death rate | Lifetime rate | Chargeable transfers 2022/23 and 2021/22 |
|------------|---------------|---|
| Nil | Nil | 0 - £325,000 (nil rate band) |
| 40% | 20% | Over £325,000 |

A further nil rate band of £175,000 may be available in relation to current or former residences.

Corporation Tax

| | Rate % | | Rate % |
|-----------------|--------|-----------------|--------|
| Year to 31.3.23 | 19 | Year to 31.3.22 | 19 |

Different rates apply for ring-fenced (broadly oil industry) profit.

Capital Allowances

Corporation tax super-deduction on certain plant and machinery until 31 March 2023 **130%**

First Year Allowance (FYA) on certain plant, machinery and cars of 0g/km **100%**

Corporation tax FYA on long-life assets, integral features of buildings, etc. until 31 March 2023 **50%**

Annual Investment Allowance £1,000,000 (£200,000 from 1 April 2023)

Excludes cars

Writing Down Allowance

Long-life assets, integral features of buildings, cars over 50g/km **6%**

Other plant and machinery **18%**

Structures and Buildings Allowance **3%**

Pensions

| | 2022/23 | 2021/22 |
|---------------------------------|------------|------------|
| Lifetime Allowance limit | £1,073,100 | £1,073,100 |
| Annual Allowance limit | £40,000 | £40,000 |
| Money Purchase Annual Allowance | £4,000 | £4,000 |

Value Added Tax

| | From 1.4.22 | From 1.4.21 |
|-----------------------------|-------------|-------------|
| Standard rate | 20% | 20% |
| Reduced rate | 5% | 5%* |
| Annual Registration Limit | £85,000 | £85,000 |
| Annual Deregistration Limit | £83,000 | £83,000 |

*12.5% for hospitality and tourism from 1 October 2021 - 31 March 2022.

Disclaimer: Rates are for guidance only. No responsibility for loss occasioned by any person acting/refraining from action as a result of this information can be accepted by the authors or firm.

Selected Rates

| | 2022/23 | 2021/22 |
|---|----------|----------|
| Weekly benefit | £ | £ |
| Basic State Pension | 185.15 | 179.60 |
| Old State Pension | 141.85 | 137.60 |
| Statutory pay standard rates - average weekly earnings £123 (£120) or over | | |
| Sick Pay | 99.35 | 96.35 |
| Maternity/Adoption Pay | 156.66 | 151.97 |
| Shared Parental Pay | 156.66 | 151.97 |
| Paternity Pay | 156.66 | 151.97 |

National Living Wage and National Minimum Wage

| Age | NLW | 21-22 | 18-20 | 16-17 | Apprentices |
|-------------------|-------|-------|-------|-------|-------------|
| From 1 April 2022 | £9.50 | £9.18 | £6.83 | £4.81 | £4.81 |

Applies to apprentices under 19, or 19 and over in the first year of apprenticeship. NLW applies to those aged 23 and over.

Tax Reliefs for Individuals

2022/23 and 2021/22

Enterprise Investment Scheme (EIS)

Relief on investments in certain unquoted trading companies up to £1m per annum (£2m for knowledge intensive companies):

- Income tax relief at 30%
 - Capital gains exemption on disposal
- Unlimited amounts of capital gains from the disposal of other assets may be able to be deferred by making an EIS investment.

Seed Enterprise Investment Scheme (SEIS)

Relief on investments in certain unquoted trading companies up to £100,000 per annum:

- Income tax relief at 50%
 - Capital gains exemption on disposal
- Capital gains from the disposal of other assets may be exempt up to £50,000 per annum by making an SEIS investment.

Venture Capital Trusts (VCTs)

Relief on investments in certain quoted companies up to £200,000 per annum:

- Income tax relief at 30%
 - Capital gains exemption on disposal
- Dividends received from VCTs may be exempt from income tax. All reliefs subject to detailed conditions being met.