

# Indirect tax

## Value added tax

	2022/23 and 2021/22
Standard rate	20% <sup>(1)</sup>

Annual turnover limits	2022/23 and 2021/22
Registration	£85,000
De-registration	£83,000
Flat rate scheme entrants turnover	£150,000

<sup>(1)</sup> Reduced rate for hospitality and tourism sector 5% from 15 July 2020 to 30 September 2021, 12.5% from 1 October 2021 to 31 March 2022.

## Stamp Duty Land Tax (SDLT)

Property purchased in England and Northern Ireland

### Residential property

Band	Rate payable incremental
£0 to £125,000	0%
£125,000 to £250,000	2%
£250,000 to £925,000	5%
£925,000 to £1.5m	10%
Above £1.5m	12%

Purchasers of second properties are subject to a 3% surcharge over the above rates. Certain non UK-resident purchasers are subject to a 2% surcharge over the above rates.

### Non-residential and mixed use

Band	Rate payable incremental
£0 to £150,000	0%
£150,000 to £250,000	2%
Above £250,000	5%

### First Time Buyers

Band	Rate payable incremental
£0 to £300,000	0%
£301,000 to £500,000	5%

### Enveloped residential properties

Property purchases for more than £500,000 incur a flat rate of 15% on the whole value, unless a relief is available.

### Leases

**Residential** - 1% on present value of rents above £125,000.

**Non-residential and mixed use** - 1% on present value of rents £150,000 to £5m, 2% above £5m.

## Stamp duty

**Shares and securities** 0.5%

# Business tax

## Corporation tax

2022/23 and 2021/22	19%
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## Capital allowances

First year allowances	2022/23	2021/22
Plant and machinery for R&D, cars and goods vehicles with zero emissions, electric vehicle charge points	100%	100%

Writing-down annual allowances	2022/23 and 2021/22
Standard rate	18% p.a.
Special rate <sup>(1)</sup>	6% p.a.

Super-deduction - companies only <sup>(2)</sup>	2022/23	2021/22
Standard rate	130% p.a.	130% p.a.
Special rate	50% p.a.	50% p.a.

Structures and buildings allowance	2022/23 and 2021/22
Expenditure incurred after 28 October 2018	3%

Annual investment allowance	To 31 March 2023
100% allowance for expenditure on plant and machinery (excluding cars) up to:	£1,000,000

<sup>(1)</sup> Integral features, long life assets, thermal insulation of buildings, solar panels, cars with CO<sub>2</sub> emissions above 50g/km (110g/km before 1 April 2021).

<sup>(2)</sup> Expenditure incurred by a company within the charge to Corporation Tax from 1 April 2021 to 31 March 2023 on new, unused plant and machinery.

To see how we can help you, contact our tax team at:

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# Tax rates 2022/23

March 2022

# Personal tax

## Income tax rates

General rate	Dividend rate	Taxable income
<b>2022/23</b>		
20% <sup>(1)</sup>	8.75%	£0 to £37,700
40%	33.75%	£37,701 to £150,000
45%	39.35%	Over £150,000
<b>2021/22</b>		
20% <sup>(1)</sup>	7.5%	£0 to £37,700
40%	32.5%	£37,701 to £150,000
45%	38.1%	Over £150,000

Certain trusts taxed at 45% (39.35% on dividend income).

Scottish taxpayers are subject to the rates and bands set by the Scottish Government.

<sup>(1)</sup> Savings income taxable at 0% to the extent that other taxable income is less than £5,000.

## Allowances and reliefs

	2022/23	2021/22
Personal allowance	£12,570 <sup>(1)</sup>	£12,570 <sup>(1)</sup>
Marriage allowance	£1,260 <sup>(2)</sup>	£1,260 <sup>(2)</sup>
Dividend allowance	£2,000	£2,000
Personal Savings allowance:		
Basic rate taxpayers	£1,000	£1,000
Higher rate taxpayers	£500	£500
Blind person's allowance	£2,600	£2,520
Married couples allowance	£9,415 <sup>(3)</sup>	£9,125 <sup>(3)</sup>
Minimum married couples allowance	£3,640	£3,530

<sup>(1)</sup> Withdrawn at a rate of £1 allowance for £2 of income over £100,000.

<sup>(2)</sup> Spouses and civil partners not eligible for married couples allowance may transfer up to this amount between them, provided neither are liable to income tax above the basic rate.

<sup>(3)</sup> Withdrawn at a rate of £1 allowance for every £2 income over £31,400 (£30,400 2021/22) subject to the minimum allowance. Relief is given at 10%. One spouse must have been born before 6 April 1935.

## Inheritance tax

Tax rate on death	2022/23 and 2021/22
Nil	£0 - 325,000 <sup>(1)</sup>
40% <sup>(2)</sup>	Over £325,000

<sup>(1)</sup> Additional residence nil rate band (RNRB) of £175,000 (£175,000 2021/22) for transfers of a main residence to direct descendants. NRB and RNRB for estate of spouse are increased by unused percentage of NRB and RNRB of pre-deceased spouse. RNRB is withdrawn at the rate of £1 for every £2 estate value over £2m.

<sup>(2)</sup> Rate reduced to 36% where 10% or more of the net estate left to charity.

## National insurance contributions 2022/23

### Class 1

Employee (primary)			Employer (secondary) <sup>(2)</sup>	
Weekly earnings		NIC rate	Weekly earnings	NIC rate
6 April - 5 July	6 July - 5 April			
Below £190 <sup>(1)</sup>	Below £242 <sup>(1)</sup>	0%	Below £175	0%
£190.01 - £967	£242.01 - £967	13.25%	Above £175 <sup>(3)</sup>	15.05%
Above £967		3.25%		

Class 1A (employer) 15.05% on taxable non-cash benefits.

Class 1B (employer) 15.05% on Pay As You Earn Settlement Agreement (PSA) earnings.

Class 2 (self-employed) Flat rate £3.15 p.w. if annual profits exceed £11,908. Small profits threshold for contributory benefits entitlement remains as £6,725.

Class 3 (voluntary) Flat rate £15.85 p.w.

Class 4 (self-employed) 10.25% on annual profits between £11,908 and £50,270. 3.25% on annual profits above £50,270.

<sup>(1)</sup> Weekly earnings of £123 or more secure entitlement to contributory benefits.

<sup>(2)</sup> Some private sector employers entitled to £5,000 annual employment allowance.

<sup>(3)</sup> No employer contribution on weekly earnings £175 - £967 for employees aged under 21 and qualifying apprentices aged under 25.

## Capital gains tax

	2022/23 and 2021/22
Basic rate individual <sup>(1)</sup>	10% / 18%
Higher rate individual <sup>(2)</sup>	20% / 28%
UK trust <sup>(2)</sup>	20% / 28%
Business asset disposal and investors' relief gains	10%
Business asset disposal relief lifetime limit	£1m
Investors' relief lifetime limit	£10m
Individual annual exemption	£12,300
Trust annual exemption	£6,150

<sup>(1)</sup> Rate for gains on disposals of residential property is 18%.

<sup>(2)</sup> Rate for gains on disposals of residential property is 28%.

## Pensions tax relief

	2022/23 and 2021/22
Annual Allowance <sup>(1)(4)</sup>	£40,000
High earners restricted Annual Allowance <sup>(2)(4)</sup>	£4,000
Money Purchase Annual Allowance <sup>(3)</sup>	£4,000
Lifetime Allowance <sup>(4)</sup>	£1,073,100

Contributions are limited to the higher of £3,600 and 100% of relevant UK earnings, subject to the allowance restrictions.

<sup>(1)</sup> Tax relief applies to combined total employer and employee contributions up to the annual allowance plus unused annual allowances from the three previous years.

<sup>(2)</sup> For those with total income more than £200,000 and adjusted earnings (broadly, earnings including all pension contributions) in excess of £240,000, the Annual Allowance is reduced by £1 for every £2 over £240,000, until, at £312,000 the minimum £4,000 allowance applies.

<sup>(3)</sup> A restricted Money Purchase Annual Allowance applies to those who have accessed their pension fund under the flexible access rules.

<sup>(4)</sup> For those in defined benefit schemes the allowances are measured in terms of value of pensions rather than contributions.

## Individual savings account (ISA)

Annual contribution limits	2022/23	2021/22
Cash and Shares ISA	£20,000	£20,000
Junior ISA <sup>(1)</sup>	£9,000	£9,000
Lifetime ISA <sup>(2)</sup>	£4,000	£4,000

<sup>(1)</sup> Under the age of 18.

<sup>(2)</sup> Aged 18-40 25% government bonus on savings. There is a charge on withdrawals before age 60 unless used to purchase first home. Contributions count for £20,000 limit on cash and shares ISA.

## Tax efficient savings and investments

Maximum annual investment	2022/23 and 2021/22
Seed Enterprise Investment Scheme (SEIS)	£100,000 <sup>(1) (5) (6)</sup>
Venture Capital Trusts (VCTs)	£200,000 <sup>(5) (7)</sup>
Enterprise Investment Scheme (EIS)	£1m <sup>(2) (3) (4) (6)</sup>
Social Investment Tax Relief (SITR)	£1m <sup>(2) (6)</sup>

<sup>(1)</sup> Income tax relief at 50%.

<sup>(2)</sup> Income tax relief at 30%.

<sup>(3)</sup> Up to £2m for 'knowledge-intensive' companies.

<sup>(4)</sup> Capital Gains Tax deferral on gains reinvested in EIS qualifying investments.

<sup>(5)</sup> Capital Gains Tax exemption on 50% of gains reinvested in SEIS qualifying investments.

<sup>(6)</sup> Gains free of Capital Gains Tax provided held for at least 3 years.

<sup>(7)</sup> Gains free of Capital Gains Tax.

## Car benefits 2022/23

Car benefit: Percentage (below) of list price		Fuel benefit: Percentage (below) of £25,300 <sup>(1)</sup>
CO2 emissions (g/km)	Electric Range (miles)	
0		2%
1 - 50	> 130	2%
1 - 50	70 - 129	5%
1 - 50	40 - 69	8%
1 - 50	30 - 39	12%
1 - 50	< 30	14%
51 - 54		15%
Tax charge increase by 1% per each additional 5g/km until:		
160 or more		37%

<sup>(1)</sup> Diesel cars that do not meet the Real Driving Emissions Step 2 (RDE 2) standard are subject to a diesel supplement of 4% (up to a maximum of 37%).

Van benefits	2022/23	2021/22
Company van benefit	£3,600	£3,500
Van fuel benefit	£688	£669
<b>Approved mileage rates rate per mile (employee's own vehicle)</b>		
Car or van: First 10,000 miles	45p	45p
Car or van: Over 10,000 miles	25p	25p
Motorcycle	24p	24p
Bicycles	20p	20p
Additional passenger payment	5p	5p

Employers' payments for business use are free of tax and NIC if they do not exceed the above rates.