# Tax rates and allowances 2026/27 and 2027/28

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UK figures (England, Wales and Northern Ireland unless stated). [A] = announced by the government but not yet law, so it could still change. "To be confirmed" = not announced yet. Checked against GOV.UK on 4 November 2026.

## Income tax allowances

| | 2026/27 | 2027/28 |
|---|---|---|
| Personal allowance<br>Frozen until 5 April 2031. | £12,570 | £12,570 |
| Income limit for personal allowance<br>Allowance reduced by £1 for every £2 of income over £100,000. | £100,000 | £100,000 |
| Marriage allowance (amount transferable to a spouse or civil partner) | £1,260 | £1,260 |
| Married couple's allowance (born before 6 April 1935): maximum / minimum<br>Relief given at 10%. | £11,700 / £4,530 | £12,110 / £4,690 [A] |
| Married couple's allowance income limit | £39,200 | £40,600 [A] |
| Blind person's allowance | £3,250 | £3,370 [A] |
| Pension tax allowance (new, over State Pension age)<br>For 2027/28 to 2029/30. In full where total income is up to £13,037, tapering to nil at £13,319. | n/a | Tax reduction of up to £94 [A] |
| High Income Child Benefit Charge<br>1% of Child Benefit for every £200 of income over £60,000. | £60,000 to £80,000 | £60,000 to £80,000 |

## Income tax bands and rates (England, Wales and Northern Ireland)

| | 2026/27 | 2027/28 |
|---|---|---|
| Basic rate 20%<br>Earnings, pensions and profits. Bands assume the standard personal allowance (basic rate band £37,700). | £12,571 to £50,270 | £12,571 to £50,270 |
| Higher rate 40% | £50,271 to £125,140 | £50,271 to £125,140 |
| Additional rate 45%<br>The personal allowance is lost completely above £125,140. | Over £125,140 | Over £125,140 |

## Scottish income tax (earnings, pensions and profits)

| | 2026/27 | 2027/28 |
|---|---|---|
| Starter rate 19%<br>Scottish Budget for 2027/28 due on 3 December 2026. | £12,571 to £16,537 | *To be confirmed* |
| Basic rate 20% | £16,538 to £29,526 | *To be confirmed* |
| Intermediate rate 21% | £29,527 to £43,662 | *To be confirmed* |
| Higher rate 42% | £43,663 to £75,000 | *To be confirmed* |
| Advanced rate 45% | £75,001 to £125,140 | *To be confirmed* |
| Top rate 48%<br>Bands assume the standard personal allowance. Savings and dividends use the UK rates. | Over £125,140 | *To be confirmed* |

## Savings and dividends

| | 2026/27 | 2027/28 |
|---|---|---|
| Dividend allowance | £500 | £500 |
| Dividend rates<br>Ordinary and upper rates rose by 2 points from 6 April 2026. | Ordinary 10.75%<br>Upper 35.75%<br>Additional 39.35% | Ordinary 10.75%<br>Upper 35.75%<br>Additional 39.35% |
| Savings income rates: basic / higher / additional<br>Already law at 22% / 42% / 47% from April 2027; the Budget adds a further 2 points (Finance Bill 2026-27). | 20% / 40% / 45% | 24% / 44% / 49% [A] |
| Personal savings allowance: basic / higher / additional rate | £1,000 / £500 / £0 | £1,000 / £500 / £0 |
| Starting rate for savings (0%)<br>Reduced by other income above the personal allowance. | £5,000 | £5,000 |

## Property and trading income

| | 2026/27 | 2027/28 |
|---|---|---|
| Property income rates: basic / higher / additional<br>England, Wales and NI. Already law at 22% / 42% / 47% from April 2027; the Budget adds 2 points. Scottish rates to be set by Scotland. | 20% / 40% / 45% | 24% / 44% / 49%[A] |
| Trading allowance<br>Subject to Finance Bill 2026-27. | £1,000 | £3,000[A] |
| Property allowance | £1,000 | £1,000 |

## National Insurance

| | 2026/27 | 2027/28 |
|---|---|---|
| Employee (Class 1) rates<br>8% on earnings between £12,570 and £50,270 a year; 2% above. | 8% / 2% | 8% / 2% |
| Primary threshold / upper earnings limit (a year)<br>Frozen until 2030/31. | £12,570 / £50,270 | £12,570 / £50,270 |
| Lower earnings limit (a week)<br>Earnings at this level protect State Pension entitlement. | £129 | £133[A] |
| Employer (Class 1) rate | 15% | 15% |
| Employer secondary threshold (a year) | £5,000 | £5,000 |
| Class 1A and 1B (benefits and PAYE settlements)<br>Follows the employer rate. | 15% | 15% |
| Employment Allowance<br>Not available where the only employee paid above £5,000 is a sole director. | £10,500 | £10,500 |
| Self-employed Class 4 rates<br>6% on profits between £12,570 and £50,270; 2% above. | 6% / 2% | 6% / 2% |
| Class 2 voluntary rate (a week) / small profits threshold | £3.65 / £7,105 | £3.80 / £7,355[A] |
| Class 3 voluntary rate (a week) | £18.40 | £19.05[A] |

## National Minimum Wage (from 1 April each year)

| | 2026/27 | 2027/28 |
|---|---|---|
| National Living Wage (21 and over)<br>Hourly rates. 2027 rates apply from 1 April 2027. | £12.71 | £13.21[A] |
| 18 to 20 | £10.85 | £11.27[A] |
| 16 and 17 | £8.00 | £8.31[A] |
| Apprentice rate | £8.00 | £8.31[A] |

## Statutory pay (a week)

| | 2026/27 | 2027/28 |
|---|---|---|
| Statutory Sick Pay<br>Or 80% of average weekly earnings if lower. | £123.25 | *To be confirmed* |
| Family pay (maternity, paternity, adoption, shared parental, bereavement, neonatal)<br>Or 90% of earnings if lower; first 6 weeks of maternity and adoption pay at 90%. | £194.32 | *To be confirmed* |

## Pensions

| | 2026/27 | 2027/28 |
|---|---|---|
| Annual allowance | £60,000 | £60,000 |
| Money purchase annual allowance | £10,000 | £10,000 |
| Tapered annual allowance: threshold income / adjusted income / minimum | £200,000 / £260,000 / £10,000 | £200,000 / £260,000 / £10,000 |
| Lump sum allowance (tax-free cash) | £268,275 | £268,275 |
| Lump sum and death benefit allowance | £1,073,100 | £1,073,100 |
| Unused pensions and inheritance tax<br>For deaths on or after 6 April 2027. Pensions left to a spouse, civil partner or charity stay exempt. | Outside the estate | Included in the estate |
| Salary sacrifice into pensions<br>From 2029/30 only the first £2,000 a year is due to be free of National Insurance. | No NI cap | No NI cap |

## ISAs

| | 2026/27 | 2027/28 |
|---|---|---|
| Adult ISA limit | £20,000 | £20,000 |
| Cash ISA limit<br>The planned cut to £12,000 from April 2027 was reversed at the Budget; regulations to follow. | £20,000 | £20,000[A] |
| Lifetime ISA<br>Counts within the £20,000. A new First Time Buyer ISA replaces it for new savers from April 2029. | £4,000 | £4,000 |
| Junior ISA | £9,000 | £9,000 |

## State Pension

| | 2026/27 | 2027/28 |
|---|---|---|
| New State Pension (full rate) | £241.30 a week | £13,036.40 a year (about £250.70 a week)[A] |

## Student loan repayment thresholds (a year)

| | 2026/27 | 2027/28 |
|---|---|---|
| Plan 1 (9%) | £26,900 | £28,005[A] |
| Plan 2 (9%)<br>Frozen until April 2030. | £29,385 | £29,385 |
| Plan 4, Scotland (9%) | £33,795 | *To be confirmed* |
| Plan 5 (9%) | £25,000 | *To be confirmed* |
| Postgraduate loan (6%) | £21,000 | *To be confirmed* |

## Capital gains tax

| | 2026/27 | 2027/28 |
|---|---|---|
| Annual exempt amount: individuals / most trusts | £3,000 / £1,500 | £3,000 / £1,500 |
| Rates: within basic rate band / above<br>Same rates for residential property. Trustees and personal representatives: 24%. | 18% / 24% | 18% / 24% |
| Business Asset Disposal Relief rate | 18% | 18% |
| Business Asset Disposal Relief lifetime limit<br>For disposals on or after 6 April 2027. Relief already claimed counts towards the limit. | £1 million | £500,000[A] |
| Investors' Relief: rate / lifetime limit | 18% / £1 million | 18% / £1 million |
| Founders' relief (new)<br>From 6 April 2027 for founders of fast-growing companies meeting strict size and growth tests. Under consultation until 30 November 2026. | n/a | 10% up to £10 million[A] |
| UK residential property: report and pay | Within 60 days of completion | Within 60 days of completion |

## Inheritance tax

| | 2026/27 | 2027/28 |
|---|---|---|
| Nil-rate band<br>Frozen until 5 April 2031. | £325,000 | £325,000 |
| Residence nil-rate band<br>For a home left to children or grandchildren. Tapered away above estates of £2 million. | £175,000 | £175,000 |
| Rate on death / with 10% to charity / lifetime chargeable transfers | 40% / 36% / 20% | 40% / 36% / 20% |
| Agricultural and business property relief: 100% relief allowance<br>50% relief above the allowance. Unused allowance can pass to a surviving spouse or civil partner. | £2.5 million | £2.5 million |
| Shares on AIM and similar markets | 50% relief | 50% relief |
| Annual exemption<br>Unused amount can be carried forward one year. | £3,000 | £3,000 |
| Small gifts<br>Cannot be combined with another exemption for the same person. | £250 per person | £250 per person |
| Wedding or civil partnership gifts<br>From a parent / grandparent / anyone else. | £5,000 / £2,500 / £1,000 | £5,000 / £2,500 / £1,000 |

## Corporation tax and capital allowances

| | 2026/27 | 2027/28 |
|---|---|---|
| Main rate (profits over £250,000)<br>Rates for financial years starting 1 April. | 25% | 25% |
| Small profits rate (profits up to £50,000) | 19% | 19% |
| Marginal relief: profits £50,000 to £250,000<br>Marginal rate of 26.5% on profits in the band. Limits are divided by the number of associated companies plus one, and reduced for periods under 12 months. | Fraction 3/200 | Fraction 3/200 |
| Annual investment allowance | £1 million | £1 million |
| Full expensing (companies, new main rate plant) | 100% | 100% |
| Main rate first-year allowance (includes unincorporated businesses)<br>50% for spending on or after 1 January 2027. | 40% | 50%[A] |

| | 2026/27 | 2027/28 |
|---|---|---|
| Writing-down allowance: main pool / special rate pool<br>12% from 1 April 2027 (companies) or 6 April 2027 (individuals). | 14% / 6% | 12% / 6%[A] |
| New electric company cars: first-year allowance<br>100% to 31 March 2027 (companies) / 5 April 2027 (individuals); after that into the main pool. | 100% | Main pool after 31 March 2027 |
| Corporation tax due<br>For companies with profits up to £1.5 million. | 9 months and 1 day after the year end | 9 months and 1 day after the year end |
| R&D tax relief: expenditure credit<br>Taxable credit under the merged scheme. | 20% | 20% |
| R&D-intensive loss-making companies (30%+ of costs on R&D)<br>Payable credit capped at £20,000 plus 300% of PAYE and NI. | 86% extra deduction; up to 14.5% payable credit | 86% extra deduction; up to 14.5% payable credit |

## VAT

| | 2026/27 | 2027/28 |
|---|---|---|
| Standard / reduced rate | 20% / 5% | 20% / 5% |
| Registration threshold | £90,000 | £90,000 |
| Deregistration threshold | £88,000 | £88,000 |
| Flat Rate Scheme: limited cost business rate | 16.5% | 16.5% |
| Online marketplaces and VAT<br>On sales of goods to consumers by UK businesses that are VAT-registered or sell over £90,000 a year on that platform. Details to follow. | n/a | Marketplaces to account for VAT from October 2027[A] |

## Stamp Duty Land Tax (England and Northern Ireland)

| | 2026/27 | 2027/28 |
|---|---|---|
| Residential rates | 0% to £125,000; 2% to £250,000; 5% to £925,000; 10% to £1.5m; 12% above | No change announced |
| First-time buyers' relief<br>No relief if the price is over £500,000. | 0% to £300,000; 5% to £500,000 | No change announced |
| Additional homes surcharge / non-UK resident surcharge | +5% / +2% | +5% / +2% |

## Company cars and vans

| | 2026/27 | 2027/28 |
|---|---|---|
| Electric cars (0g/km)<br>Then 7% (2028/29) and 9% (2029/30). | 4% | 5% |
| Plug-in hybrids 1-50g/km, by electric range<br>Range bands end in April 2028: all 1-50g/km cars then 18% (2028/29) and 19% (2029/30). | 4% to 16% | 5% to 17% |
| Cars 51g/km and above<br>Rising 1% for every 5g/km. | 17% to 37% | 18% to 37% |
| Maximum percentage / diesel supplement<br>Maximum 38% (2028/29) and 39% (2029/30). | 37% / +4% | 37% / +4% |
| Car fuel benefit multiplier | £29,200 | £30,200[A] |
| Van benefit / van fuel benefit | £4,170 / £798 | £4,310 / £825[A] |
| Payrolling benefits<br>From 6 April 2027. Most other benefits follow from April 2028. | Optional | Required for cars, vans, fuel and medical cover[A] |

## Mileage and travel

| | 2026/27 | 2027/28 |
|---|---|---|
| Cars and vans: first 10,000 business miles<br>Per mile, per tax year. | 55p | 55p |
| Cars and vans: over 10,000 business miles | 25p | 35p[A] |
| Motorcycles / bicycles | 24p / 20p | 24p / 20p |
| Advisory electricity rate (company electric cars)<br>Rates from 1 September 2026; next review 1 December 2026. | 7p home / 15p public | *To be confirmed* |
| Subsistence scale rates<br>5 hours / 10 hours / 15 hours and still travelling at 8pm. From 6 April 2028: £20 (over 5 hours), £60 (over 10 hours), £75 (over 24 hours). | £5 / £10 / £25 | £5 / £10 / £25 |

## Staff benefits and allowances

| | 2026/27 | 2027/28 |
|---|---|---|
| Trivial benefits<br>Not cash or a cash voucher, and not a reward for work. | £50 per gift | £50 per gift |
| Trivial benefits: directors of close companies | £300 a year | £300 a year |
| Christmas gifts to staff<br>Treated as trivial benefits: a turkey, wine or a hamper is fine; cash or cash-like vouchers are taxable. | Up to £50 a head | Up to £50 a head |

| | 2026/27 | 2027/28 |
|---|---|---|
| Christmas party or annual staff event<br>Must be annual and open to all staff, or all staff at one location. | £150 a head | £150 a head |
| Gifts to clients<br>Tax-deductible only if branded, and not food, drink, tobacco or vouchers. | £50 per person a year | £50 per person a year |
| Long-service awards<br>After at least 20 years; not cash. | £50 per year of service | £50 per year of service |
| Homeworking allowance from the employer<br>Where homeworking is agreed. Employees can no longer claim this relief from HMRC themselves since April 2026. | £6 a week (£26 a month) | £6 a week (£26 a month) |
| Staff suggestion schemes<br>Encouragement awards / implemented ideas. | £25 / up to £5,000 | £25 / up to £5,000 |
| Eye tests and screen glasses; flu jabs<br>Employers can reimburse as well as provide, from 6 April 2026. Not under salary sacrifice. | Tax-free | Tax-free |
| One mobile phone; workplace parking; EV charging at work<br>Not under salary sacrifice. | Tax-free | Tax-free |
| Health screening; counselling<br>One screening and one check-up a year. | Tax-free | Tax-free |
| Medical treatment to help a return to work<br>After 28 days or more off sick. | £500 a year | £500 a year |
| Beneficial loans (including directors' loan accounts)<br>No benefit if the balance stays under £10,000 all year. A separate corporation tax charge can still apply to overdrawn directors' loans. | Up to £10,000 | Up to £10,000 |

| | 2026/27 | 2027/28 |
|---|---|---|
| Official rate of interest | 3.75% | *To be confirmed* |
| Overdrawn directors' loans: section 455 charge<br>On loans made from 6 April 2026 (33.75% before). Repayable when the loan is repaid or written off. | 35.75% | 35.75% |
| Relocation expenses | Up to £8,000 | Up to £8,000 |

## Making Tax Digital for Income Tax

| | 2026/27 | 2027/28 |
|---|---|---|
| Who must join (qualifying income from self-employment and property)<br>Over £20,000 from April 2028, based on 2026/27 income. | Over £50,000 (from April 2026) | Over £30,000 (from April 2027) |
| Penalty points for late quarterly updates<br>Quarterly updates are still required. | Apply | None in 2027/28 for April 2027 joiners[A] |

## Key Self Assessment dates

| | 2026/27 | 2027/28 |
|---|---|---|
| Online tax return deadline | 31 January 2027 (2025/26 return) | 31 January 2028 (2026/27 return) |
| Payments on account<br>Balancing payment due 31 January after the tax year. | 31 January and 31 July | 31 January and 31 July |
| Directors of close companies (from 2025/26 returns)<br>For each company: name, registration number, dividends received and highest % shareholding. | Extra details required | Extra details required |

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