

Forbes Dawson

THE TAX SPECIALISTS



Experts in keeping things simple

**Tax
Tables
2026/27**

INCOME TAX

Main personal allowances and reliefs	26/27	25/26
Personal allowance*	£12,570	£12,570
Marriage/civil partners' transferable allowance	£1,260	£1,260
Blind person's allowance	TBA	£3,130
Rent-a-room relief	£7,500	£7,500
Property allowance and trading allowance (each)	£1,000	£1,000

*Personal allowance reduced by £1 for every £2 of adjusted net income over £100,000

UK taxpayers excluding Scottish taxpayers' non-dividend, non-savings income

20% basic rate on taxable income up to	£37,700	£37,700
40% higher rate on next slice of income over	£37,700	£37,700
45% additional rate on income over	£125,140	£125,140

Scottish taxpayers – non-dividend, non-savings income

19% starter rate on taxable income up to	TBA	£2,827
20% basic rate on next slice up to	TBA	£14,921
21% intermediate rate on next slice up to	TBA	£31,092
42% higher rate on next slice up to	TBA	£62,430
45% advanced rate on next slice up to	TBA	£125,140
48% top rate on income over	TBA	£125,140

The Scottish Budget will be published on 13 January 2026

All UK taxpayers	26/27	25/26
Starting rate at 0% on band of savings income up to**	£5,000	£5,000
Personal savings allowance at 0%:		
Basic rate	£1,000	£1,000
Higher rate	£500	£500
Additional rate	£0	£0
Dividend allowance at 0%:	All individuals	£500
Tax rates on dividend income:		
Basic rate	10.75%	8.75%
Higher rate	35.75%	33.75%
Additional rate	39.35%	39.35%
Trusts: Income exemption generally	£500	£500
Rate applicable to trusts:		
Dividends	39.35%	39.35%
Other income	45%	45%

**Not available if taxable non-savings income exceeds the starting rate band

High Income Child Benefit Charge: 1% of benefit per £200 of adjusted net income between £60,000 and £80,000

REGISTERED PENSIONS

	26/27	25/26
Lump sum and death benefit allowance	£1,073,100	£1,073,100
Lump sum allowance	£268,275	£268,275
Money purchase annual allowance	£10,000	£10,000
Annual allowance*	£60,000	£60,000
Annual allowance charge on excess is at applicable tax rate(s) on earnings		

*Reduced by £1 for every £2 of adjusted income over £260,000 to a minimum of £10,000, subject to threshold income being over £200,000

STATE PENSIONS

	Annual	Weekly
New state pension	£12,547.60	£241.30
Basic state pension – single person*	£9,614.80	£184.90
Basic state pension – spouse/civil partner*	£5,759.00	£110.75

*State pension age reached before 6/4/16

TAX INCENTIVISED INVESTMENTS

	26/27	25/26
Total Individual Savings Account (ISA) limit, excluding Junior ISAs (JISAs)	£20,000	£20,000
Lifetime ISA	£4,000	£4,000
JISA/Child Trust Fund	£9,000	£9,000
Venture Capital Trust (VCT) up to £200,000	20%	30%
Enterprise Investment Scheme (EIS) at 30%*	£2,000,000	£2,000,000
EIS eligible for CGT deferral relief	No limit	No limit
Seed EIS (SEIS) at 50%	£200,000	£200,000
SEIS CGT reinvestment relief	50%	50%

*Above £1,000,000 investment must be in knowledge-intensive companies

NATIONAL INSURANCE CONTRIBUTIONS

	Employee	Employer
Class 1		
NICs rate	8%	15%
No NICs for employees generally on the first	£242 pw	£96 pw
No NICs for younger employees* on the first	£242 pw	£967 pw
NICs rate charged up to	£967 pw	No limit
2% NICs on earnings over	£967 pw	N/A

*No employer NICs on the first £967 pw for employees generally under 21 years, apprentices under 25 years and veterans in first 12 months of civilian employment.

No employer NICs on the first £481 pw for employees at freeports and investment zones in the first 36 months of employment

Employment allowance	£10,500
Per business – not available if sole employee is a director	

Class 1A Employer

On most employees' and directors' taxable benefits	15%
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Class 2 Self-employed Flat rate per week (voluntary)	£3.65 (£189.80 pa)
Small profits threshold	£7,105

Class 4 Self-employed On annual profits of	£12,570 to £50,270:	6%
	Over £50,270:	2%

Class 3 Voluntary flat rate per week	£18.40 (£956.80 pa)
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CAPITAL GAINS TAX

	26/27	25/26
Annual exemption: Individuals, estates, etc	£3,000	£3,000
Trusts generally	£1,500	£1,500
Below UK higher rate band Tax rate	18%	18%
Within UK higher and additional rate bands Tax rate	24%	24%
Carried interest (all tax bands) Tax rate	N/A	32%
Trusts and estates Tax rate	24%	24%

Business Asset Disposal Relief

18% (14% 25/26) on lifetime limit of £1,000,000 for trading businesses and companies (minimum 5% participation) held for at least 2 years

INHERITANCE TAX

	26/27 and 25/26
Nil-rate band*/residence nil-rate band*	£325,000/£175,000
Rate of tax on excess/if at least 10% net estate left to charity	40%/36%
Lifetime transfers to and from certain trusts	20%
Non-long-term resident spouse/civil partner exemption	£325,000

*Up to 100% of the unused proportion can be claimed on the surviving spouse's/civil partner's death

†Estates over £2,000,000: reduced by 50% of the excess over £2,000,000

Reliefs	Businesses, unlisted shares, some farms	AIM shares	Certain other assets
26/27	100% up to a maximum of £1,000,000, with 50% thereafter*	50%	50%
25/26	100%	100%	50%

*Transferable between spouses and civil partners

Annual exempt gifts of: £3,000 per donor £250 per donee

Tapered tax charge on lifetime gifts between 3 and 7 years of death

Years 0–3 full 40% rate, then 8% less for each year until 0% at 7 or more years.

STAMP DUTIES AND PROPERTY TRANSACTION TAXES

Stamp Duty and SDRT*: Stocks and marketable securities 0.5%

*0% SDRT for transfers of newly UK listed securities from 27 November 2025

Additional residential and all corporate residential properties

£40,000 or more – add 5% to SDLT rates, 8% to LBTT rates and 5% to most LTT rates

England & N Ireland – Stamp Duty Land Tax (SDLT) on slices of value

Residential property	%	Commercial property†	%
Up to £125,000	0	Up to £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 buyers: 0% on first £300,000 for properties up to £500,000

Non-resident purchasers: 2% surcharge on properties £40,000 or more

Residential properties bought by companies etc over £500,000: 17% of total consideration, subject to certain exemptions

Scotland – Land and Buildings Transaction Tax (LBTT) on slices of value

Residential property	%	Commercial property†	%
Up to £145,000	0	Up to £150,000	0
£145,001–£250,000	2	£150,001–£250,000	1
£250,001–£325,000	5	Over £250,000	5
£325,001–£750,000	10		
Over £750,000	12		

First time buyers: 0% on the first £175,000

Wales – Land Transaction Tax (LTT) on slices of value

Residential property	%	Commercial property†	%
Up to £225,000	0	Up to £225,000	0
£225,001–£400,000	6	£225,001–£250,000	1
£400,001–£750,000	7.5	£250,001–£1,000,000	5
£750,001–£1,500,000	10	Over £1,000,000	6
Over £1,500,000	12		

†10% for freeport and investment zone qualifying property

CORPORATION TAX

Year to 31/3/27 and 31/3/26	Profits	Effective rate	Diverted profits
	£0–£50,000	19.0%	31%
	£50,001–£250,000	26.5%	
	£250,001 and above	25.0%	
Loans to participants		33.75%	

VALUE ADDED TAX

Standard rate	20%	Domestic fuel	5%
Installation of energy saving materials (except Northern Ireland)			0%
Registration level	£90,000	Deregistration	£88,000
Flat rate scheme turnover limit			£150,000
Cash and annual accounting schemes turnover limit			£1,350,000

CAR BENEFITS

Taxable amount based on original list price and CO₂ emissions in g/km.

Zero emission cars	4%				
Petrol and diesel hybrids with CO ₂ emissions 1–50g/km					
Range – electric-only miles	< 30	30–39	40–69	70–129	130+
	16%	14%	10%	7%	4%
All non-diesel cars over 50g/km CO₂			51–54		55 & over
			17%		18%*–37%

*Increased by 1% increments up to the maximum 37%

Diesels not meeting RDE2: add 4% to non-diesel rates, up to 37%

Fuel benefit – taxable amount for private use	26/27	25/26
CO ₂ % charge used for car benefit multiplied by	TBA	£28,200

VANS – FOR PRIVATE USE

	26/27	25/26
Zero emission: chargeable amount	Nil	Nil
Other vans: chargeable amount	TBA	£4,020
Fuel: chargeable amount	TBA	£769

TAX-FREE BUSINESS MILEAGE ALLOWANCE – OWN VEHICLE

Cars and vans first 10,000 miles	45p per mile	then 25p per mile
Qualifying passenger	5p per mile	
Motorcycles	24p per mile	Bicycles 20p per mile

MAIN CAPITAL AND OTHER ALLOWANCES

Plant & machinery (P&M) 100% annual investment allowance (1st year)	£1,000,000
P&M allowance for companies (1st year)*	100%
Special rate P&M allowance for companies (1st year)*	50%
P&M allowance for all businesses (1st year) from 1 January 2026*	40%
P&M**	14%
Patent rights and know-how**	25%
Special rate P&M e.g. long-life assets and integral features of buildings**	6%
Structures and buildings (straight line)†	3%

Motor cars

CO ₂ emissions of g/km	0*	1–50	Over 50
Capital allowance	100% first year	18% pa**	6% pa**

*New and unused only **Annual reducing balance

†10% for freeports and investment zones

Research and Development (R&D)

Capital expenditure	100%
R&D merged scheme	20%
R&D intensive SME payable credit	14.5%
R&D intensive SME intensity ratio	30%



Forbes Dawson Limited

Fairbank House
27 Ashley Road
Altrincham
Cheshire
WA14 2DP

T: 0161 927 9277

forbesdawson.co.uk

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