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more profitable
businesses*

2021/22 Tax Tables

Income Tax			
Main personal allowances and reliefs		21/22	20/21
Personal allowance*		£12,570	£12,500
Marriage/civil partner's transferable allowance		£1,260	£1,250
Married couple's/civil partner's allowance at 10%** (if at least one born before 6/4/35)	Maximum	£9,125	£9,075
	Minimum	£3,530	£3,510
Blind person's allowance		£2,520	£2,500
Rent-a-room relief		£7,500	£7,500
Property allowance and trading allowance (each)		£1,000	£1,000
UK taxpayers excluding Scottish taxpayers' non-dividend, non-savings income			
20% basic rate on first slice of taxable income up to		£37,700	£37,500
40% higher rate on next slice of taxable income over		£37,700	£37,500
45% additional rate on taxable income over		£150,000	£150,000
Scottish taxpayers - non-dividend, non-savings income			
19% starter rate on taxable income up to		£2,097	£2,085
20% basic rate on next slice up to		£12,726	£12,658
21% intermediate rate on next slice up to		£31,092	£30,930
41% higher rate on next slice up to		£150,000	£150,000
46% top rate on income over		£150,000	£150,000
All UK tax payers			
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	£2,000	£2,000
Tax rates on dividend income:	Basic Rate	7.5%	7.5%
	Higher Rate	32.5%	32.5%
	Additional Rate	38.1%	38.1%
Trusts: Standard rate band generally		£1,000	£1,000
Rate applicable to trusts:	Dividends	38.1%	38.1%
	Other Income	45%	45%
High Income Child Benefit Charge: 1% of benefit per £100 of adjusted net income between £50,000-£60,000			
*Personal allowance reduced by £1 for every £2 of adjusted net income over £100,000			
**Married couple's/civil partner's allowance reduced by £1 for every £2 of adjusted net income over £30,400 (£30,200 for 20/21), until minimum reached			
***Not available if taxable non-savings income exceeds the starting rate band			

National Insurance Contributions		
Class 1	Employee	Employer
NICs rate	12%	13.8%
No NICs for employees generally on the first	£184pw	£170pw
No NICs for younger/veteran employees* on the first	£184pw	£967pw
NICs rate charged up to	£967pw	No limit
2 % NICs on earnings over	£967pw	N/A
Employment Allowance		£4,000
Per business – not available if sole employee is a director or employer's NICs for 20/21 £100,000 or more		
Registered Pensions		
	21/22	20/21
Lifetime allowance	£1,073,100	£1,073,100
Money purchase annual allowance	£4,000	£4,000
Annual allowance*	£40,000	£40,000
Annual allowance charge on excess is at applicable tax rate(s) on earnings Lifetime allowance charge if excess is drawn as cash 55%; as income 25% Pension commencement lump sum up to 25% of pension benefit value		
*Reduced by £1 for every £2 of adjusted income over £240,000 to a minimum of £4,000, subject to threshold income being over £200,000		
State Pensions		
	Annual	Weekly
New state pension – where state pension age reached after 5 th April 2016	£9,339.20	£179.60
Basic state pension – single person*	£7,155.20	£137.60
Basic state pension – spouse/civil partner*	£4,287.40	£82.45
*State pension age reached before 6/4/16		
Tax Incentivised Investment		
	21/22	20/21
Total Individual Savings Account (ISA) limit excluding Junior ISAs (JISAs)	£20,000	£20,000
Lifetime ISA	£4,000	£4,000
JISA and Child Trust Fund	£9,000	£9,000
Venture Capital Investment Scheme (EIS) at 30%	£200,000	£200,000
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%	£100,000	£100,000
SEIS CGT reinvestment relief	50%	50%
*Above £1,000,000 investment must be in knowledge-intensive companies		

Limits and Thresholds	Weekly	Monthly	Annual
Lower earnings limit	£120	£520	£6,240
Primary threshold	£184	£797	£9,568
Secondary threshold	£170	£737	£8,840
Upper earnings limit (and upper secondary thresholds)*	£967	£4,189	£50,270
*Employees generally under 21 years and apprentices under 25 years. Veterans in first 12 months of civilian employment from April 2021.			
Class 1A Employer On car and fuel benefits and most other taxable benefits provided to employees and directors:			13.8%
Class 2 Self-Employed Flat rate per week:			£3.05
Small Profits Threshold No compulsory NICs if annual profits less than:			£6,515
Class 4 Self-Employed On annual profits of:		£9,568 to £50,270	9%
		Over £50,270	2%
Class 3 Voluntary flat rate per week			£15.40
Capital Gains Tax			
Tax Rates – Individuals		21/22	20/21
Below UK higher rate income tax band		10%	10%
Within UK higher and additional rate income tax bands		20%	20%
Tax Rate – Trusts and Estates		20%	20%
Surcharge for residential property and carried interest		8%	8%
Exemptions - Annual exempt amount: Individuals, estates, etc		£12,300	£12,300
Trusts generally		£6,150	£6,150
Chattels gain limited to 5/3 rds of proceeds exceeding		£6,000	£6,000
Business Asset Disposal Relief - 10% on lifetime limit of £1,000,000 for trading businesses and companies (minimum 5% participation) held for at least 2 years			
Inheritance Tax			
		21/22	20/21
Nil-rate band*		£325,000	£325,000
Residence nil-rate band**		£175,000	£175,000
Rate of tax on excess		40%	40%
Rate if at least 10% of net estate left to charity		36%	36%
Lifetime transfers to and from certain trusts		20%	20%
Overseas domiciled spouse/civil partner exemption £325,000 £325,000 100% relief: businesses, unlisted/AIM companies, certain farmland/buildings			
50% relief: certain other business assets e.g. farmland let before 1/9/95 Annual exempt gifts of £3,000 per donor / £250 per donee			
*Up to 100% of the unused proportion of a deceased spouse's/civil partner's nil-rate band and/or residence nil-rate band can be claimed on the survivor's death			
**Estates over £2,000,000: the value of the residence nil-rate band is reduced by 50% of the excess over £2,000,000			

Tapered tax charge on lifetime gifts within 7 years of death

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

Stamp Duties and Property Transaction Taxes

Stamp Duty and SDRT

Stocks and marketable securities	0.5%
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Additional residential and all corporate residential properties

£40,000 or more – add 3% to SDLT rates and 4% to LBTT and LTT rates	
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England & Northern 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%		

*0% on slice up to £500,000 (8/7/20–30/6/21) and £250,000 (1/7/21–30/9/21)

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: 15% 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	2%
£250,001*–£325,000	5%	Over £250,000	5%
£325,001–£750,000	10%		
Over £750,000	12%		

*Any changes to 0% to be confirmed

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

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

Residential Property		Commercial Property	
Up to £180,000*	0%	Up to £225,000	0%
£180,001–£250,000	3.5%	£225,001–£250,000	1%
£250,001–£400,000	5%	£250,001–£1,000,000	5%
£400,001–£750,000	7.5%	Over £1,000,000	6%
£750,001–£1,500,000	10%		
Over £1,500,000	12%		

* Any changes to 0% to be confirmed

Corporation Tax					
	Profits	Diverted Profits	Loans to Participants		
Years to 31/3/22 and 31/3/21	19%	25%	32.5%		
Value Added Tax					
Standard rate: 20%	Domestic Fuel: 5%				
Reduced rate on hospitality, holiday accommodation and attractions:					
5/7/20 – 30/9/21: 5%	1/10/21 – 31/3/22: 12.5%				
Since 1/4/17: Registration level £85,000	Deregistration: £83,000				
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 1%					
Petrol and diesel hybrids with CO2 emissions 1–50g/km					
Range – electric-only miles	<30	30-39	40-69	70-129	130+
Registered pre-6/4/20 (NEDC)	14%	12%	8%	5%	2%
Registered post-5/4/20 (WLTP)	13%	11%	7%	4%	1%
All non-diesel cars over 50g/km CO2	51-54		55>		
Registered pre-6/4/20 (NEDC)	15%		16%*-37%		
Registered post-5/4/20 (WLTP)	14%		15%*-37%		
*Increased for every extra 5g/km by 1% up to the maximum 37%					
Diesels not meeting RDE2 standards: add 4%, up to 37% maximum					
Fuel Benefit – taxable amount for private use		21/22	20/21		
CO2 % charge used for car benefit multiplied by		£24,600	£24,500		
Vans - For Private Use					
		21/22	20/21		
Zero emission: chargeable amount		Nil	£2,792		
Other vans: chargeable amount		£3,500	£3,490		
Fuel: chargeable amount		£669	£666		
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 and machinery (P&M) 100% annual investment allowance

(1st year): 1/1/19 – 31/12/21 £1,000,000 From 1/1/22 £200,000

P&M super-deduction first year allowance (FYA) for companies from 1/4/21	130%
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Special rate P&M FYA for companies from 1/4/21	50%
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Plant and machinery*	18%
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Patent rights and know-how*	25%
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Certain long-life assets and integral features of buildings*	6%
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Structures and buildings (straight line)	3%
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Electric charge points	100%
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Motor Cars

CO2 Emissions of g/km:	0**	1-50	Over 50
Capital Allowance:	100% first year	18% pa*	6%*

*Annual reducing balance

** New cars only

Research and Development

Capital expenditure	100%
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Revenue expenditure relief – small/medium-sized companies	230%
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Research and development expenditure credit – large companies	13%
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