ERRINGTON LANGER PINNER
CHARTERED ACCOUNTANTS

YOUR GUIDE TO THE TAX YEAR

Tax Tables 2026/27

Rates, allowances, thresholds and key dates for 6 April 2026 to 5 April 2027, explained in plain English.

No accounting or tax background needed.

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ICAEW CHARTERED ACCOUNTANTS

Tax in plain English

These tables are written for everyone. Each tax works in a similar way: you have a tax-free **allowance**, then **rates** apply to **bands** (slices) above it. Moving into a higher band only affects the slice inside that band, never what you earned below it.

Tax year

6 April to 5 April. "26/27" is 6 April 2026 to 5 April 2027; where two columns are shown, the second is last year.

Band and rate

A band is a slice of income or value; the rate is the percentage charged on that slice only.

Relief

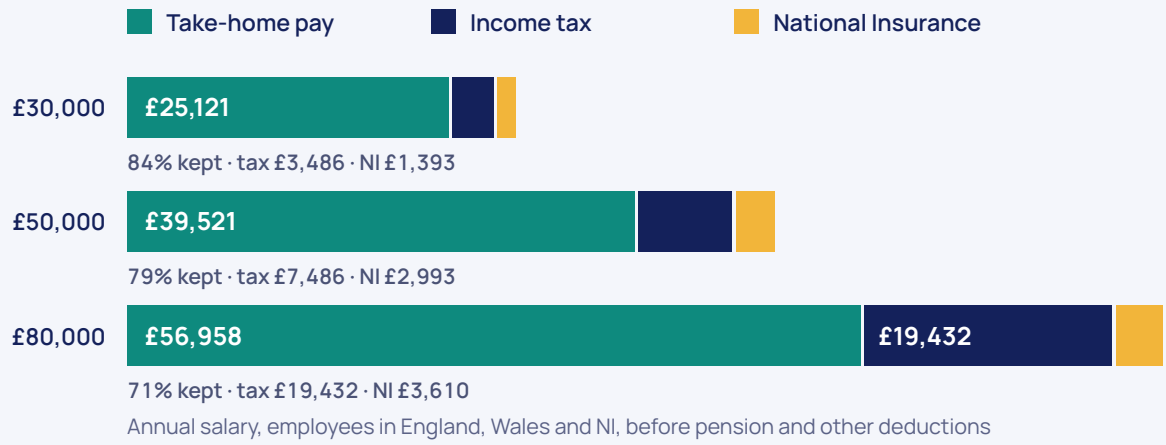
A reduction in tax, often for something the government encourages, like saving into a pension.

Allowance

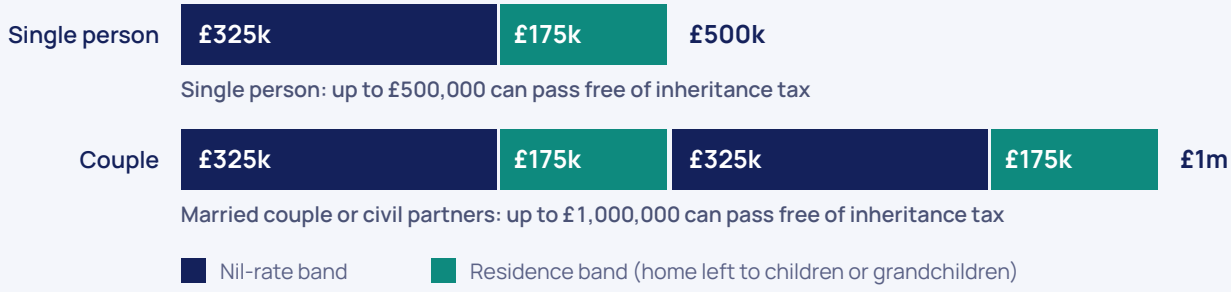
An amount you can have tax-free, such as the £12,570 Personal Allowance.

Threshold

The point where a tax, or a higher rate, starts to apply.

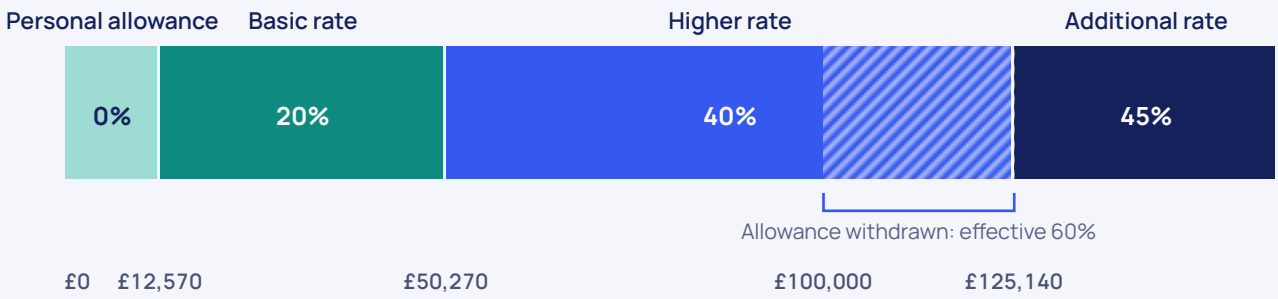


Worked example: how a salary splits into take-home pay, income tax and National Insurance in 2026/27



Inheritance tax: how much can pass free of tax

Income tax



Income tax bands, England, Wales and Northern Ireland

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	**£3,250**	£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.

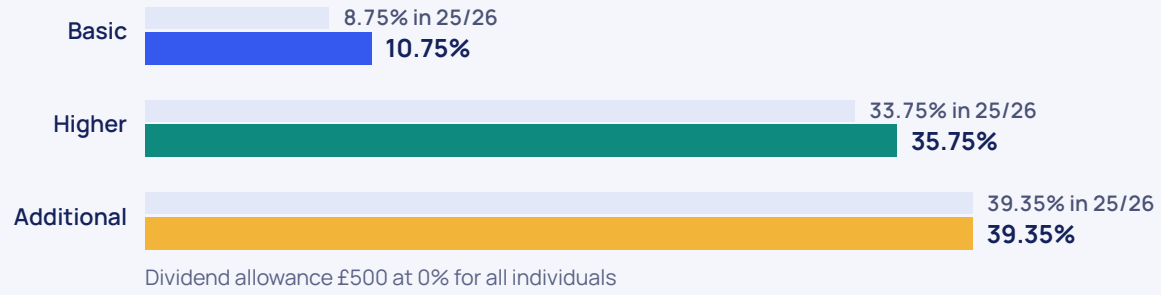
UK taxpayers excluding Scottish taxpayers: non-dividend, non-savings income

	26/27	25/26
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

	26/27	25/26
19% starter rate on taxable income up to	**£3,967**	£2,827
20% basic rate on next slice up to	**£16,956**	£14,921
21% intermediate rate on next slice up to	**£31,092**	£31,092
42% higher rate on next slice up to	**£62,430**	£62,430
45% advanced rate on next slice up to	**£125,140**	£125,140
48% top rate on income over	**£125,140**	£125,140

Savings, dividends and pensions



Dividend tax rates for 2026/27

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
Personal savings allowance at 0%: higher rate	**£500**	£500
Personal savings allowance at 0%: additional rate	**£0**	£0
Dividend allowance at 0%: all individuals	**£500**	£500
Tax rate on dividend income: basic rate	**10.75%**	8.75%
Tax rate on dividend income: higher rate	**35.75%**	33.75%
Tax rate on dividend income: additional rate	**39.35%**	39.35%
Trusts: income exemption generally	**£500**	£500
Rate applicable to trusts: dividends	**39.35%**	39.35%
Rate applicable to trusts: 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.

Investments and National Insurance

Tax-incentivised investments

	26/27	25/26
Total Individual Savings Account (ISA) limit, excluding Junior ISAs	**£20,000**	£20,000
Lifetime ISA	**£4,000**	£4,000
Junior ISA/Child Trust Fund	**£9,000**	£9,000
Venture Capital Trust (VCT) relief, 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.



Employment allowance of £10,500 per business reduces the employer bill

Class 1 National Insurance by weekly earnings

Class 1

	Employee	Employer
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 the 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.

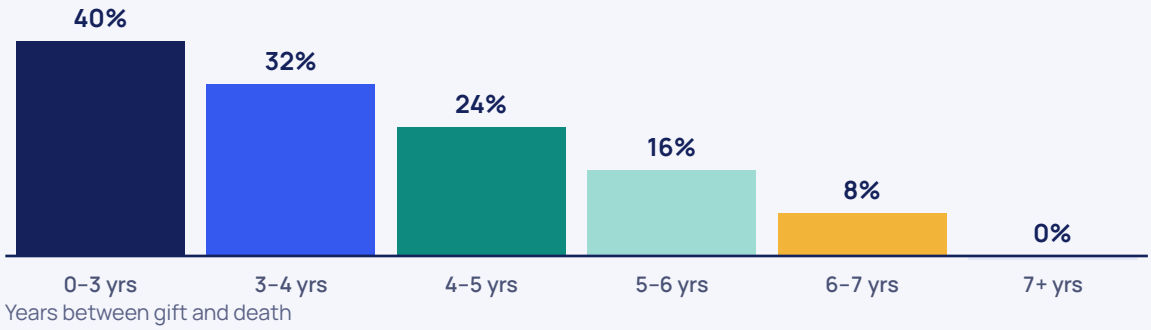
Other classes

Employment allowance (per business; not available if the sole employee is a director)	**£10,500**
Class 1A employer: on most employees' and directors' taxable benefits	**15%**
Class 2 self-employed: flat rate per week (voluntary)	**£3.65 (£189.80 pa)**
Class 2 small profits threshold	**£7,105**
Class 4 self-employed: annual profits £12,570 to £50,270	**6%**
Class 4 self-employed: over £50,270	**2%**
Class 3 voluntary: flat rate per week	**£18.40 (£956.80 pa)**

Capital gains and inheritance tax

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

Business Asset Disposal Relief: 18% (14% in 25/26) on a lifetime limit of £1,000,000 for trading businesses and companies (minimum 5% participation) held for at least 2 years.



Inheritance tax taper on lifetime gifts

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

*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.

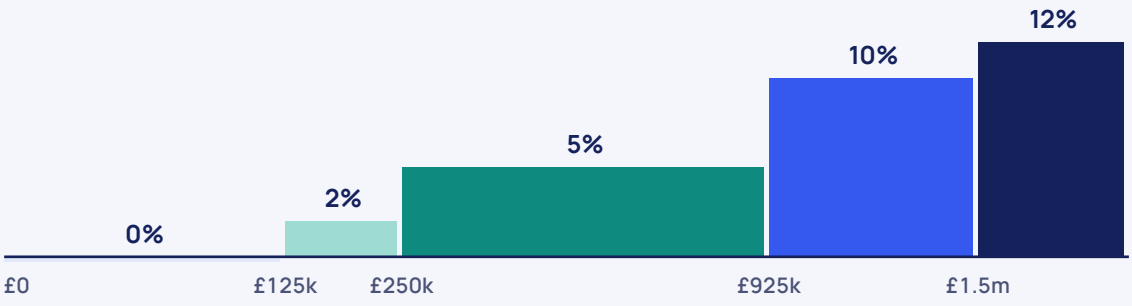
Tapered tax charge on lifetime gifts between 3 and 7 years of death: years 0–3 full 40% rate, then 8% less for each year until 0% at 7 or more years.

Reliefs

	Businesses, unlisted shares, some farms	AIM shares	Certain other assets
26/27	**100% up to £2,500,000*, 50% thereafter**	50%	50%
25/26	**100%**	100%	50%

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

Stamp duty and property taxes



Each rate applies only to the slice of the price within that band

SDLT residential slices, England and Northern Ireland

Stamp Duty and SDRT

Stocks and marketable securities*	**0.5%**
Additional residential and all corporate residential properties £40,000 or more	**Add 5% to SDLT, 8% to LBTT, 5% to most LTT rates**

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

England & Northern Ireland: SDLT on slices of value

Residential	%	Commercial†	%
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 the first £300,000 for properties up to £500,000.

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

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

Scotland: LBTT on slices of value

Residential	%	Commercial†	%
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**		

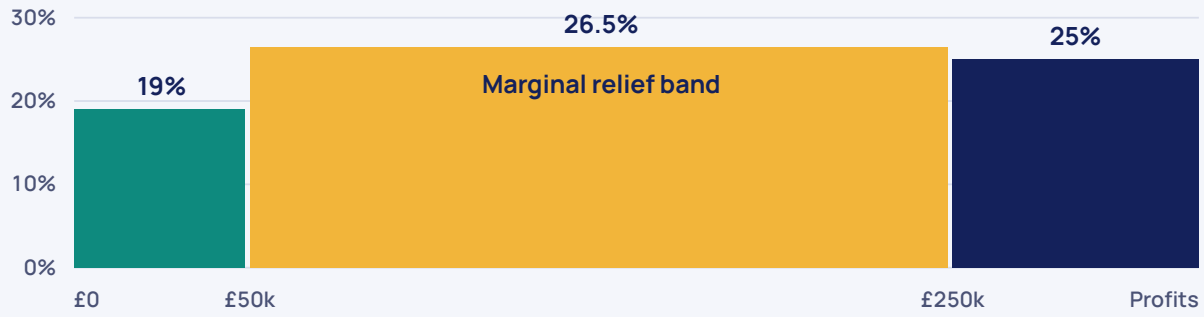
First-time buyers: 0% on the first £175,000.

Wales: LTT on slices of value

Residential	%	Commercial†	%
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**		

†0% for freeport and investment zone qualifying property.

Corporation tax and VAT



Corporation tax rates by profit

Year to 31/3/27 and 31/3/26

	Effective rate	Diverted profits
Profits £0–£50,000	**19.0%**	31%
Profits £50,001–£250,000	**26.5%**	31%
Profits £250,001 and above	**25.0%**	31%
Loans to participators	**33.75%**	

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**

Capital allowances, cars and mileage

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%**

*New and unused only. **Annual reducing balance. †10% for freeports and investment zones.

Car benefits

Zero emission cars	**4%**
Hybrids 1–50g/km, electric-only range under 30 miles	**16%**
Hybrids 1–50g/km, range 30–39 miles	**14%**
Hybrids 1–50g/km, range 40–69 miles	**10%**
Hybrids 1–50g/km, range 70–129 miles	**7%**
Hybrids 1–50g/km, range 130+ miles	**4%**
All non-diesel cars 51–54g/km	**17%**
All non-diesel cars 55g/km and over*	**18%–37%**
Diesels not meeting RDE2	**Add 4%, up to 37%**

Taxable amount based on original list price and CO_2 emissions in g/km.

*Increased in 1% increments up to the maximum 37% (at 155g/km and over).

Motor cars

	0g/km*	1–50g/km	Over 50g/km
Capital allowance (CO_2 emissions)	**100% first year**	18% pa**	6% pa**

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%**

Fuel and vans

	26/27	25/26
Car fuel benefit: car benefit % multiplied by	**£29,200**	£28,200
Zero emission vans: chargeable amount	**Nil**	Nil
Other vans: chargeable amount	**£4,170**	£4,020
Van fuel: chargeable amount	**£798**	£769

Tax-free business mileage: own vehicle

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

Benefits, pay and due dates

Statutory pay rates (weekly, 2026/27)

Statutory Sick Pay	**£123.25 standard rate**
Statutory Maternity/Adoption Pay: first 6 weeks	**90% of average weekly pay**
Statutory Maternity/Adoption Pay: next 33 weeks	**90% of average weekly pay up to £194.32**
Statutory Paternity Pay	**90% of average weekly pay up to £194.32**
Shared Parental Pay (up to 37 weeks)	**90% of average weekly pay up to £194.32**
Child Benefit: first or only child	**£27.05**
Child Benefit: each subsequent child	**£17.90**
Scottish Child Payment (certain claimants, per child under 16)	**£28.20**

Statutory pay is based on minimum average earnings of at least £129 pw (except Statutory Sick Pay).

National Living Wage and National Minimum Wage (year to 31/3/27)

	£/hour
NLW: aged 21 and over	**£12.71**
NMW: aged 18–20	**£10.85**
NMW: under 18/apprentice	**£8.00**

Income tax, NICs and CGT: Self Assessment

31 January in tax year	**Normally 50% of previous year's income tax (less tax deducted at source) and class 4 NICs**
Following 31 July	**As above**
Following 31 January	**Balance of income tax, class 4 NICs and CGT, plus class 2 NICs paid voluntarily**

Inheritance tax

On death	**Normally 6 months after the end of the month of death**
Lifetime transfer 6 April–30 September	**30 April in the following year**
Lifetime transfer 1 October–5 April	**6 months after the end of the month of transfer**

Capital gains tax: residential UK property

Report and pay	**Within 60 days of completion**

Corporation tax: Self Assessment

Profits under £1,500,000	**9 months + 1 day after the end of the accounting period**
Profits £1,500,000–£20,000,000	**Normally in the 7th, 10th, 13th and 16th months after the start of the accounting period**
Profits over £20,000,000	**Normally in the 3rd, 6th, 9th and 12th months after the start of the accounting period**
Growing companies	**No instalments where profits are £10,000,000 or less and the company was not large the previous year**

2026/27 tax calendar

Every month

19 Submit CIS contractors' monthly return.

22 PAYE, NICs and CIS deductions paid electronically for the period ending the 5th (19th if not paying electronically).

Month end Submit CT600 for the year ending 12 months previously. Last day to amend the CT600 for the year ending 24 months previously.

April 2026

1 New 40% first-year allowance for incorporated businesses. National Minimum Wage rates rise.

6 Dividend ordinary and upper rates rise by 2% (additional rate unchanged). VCT income tax relief cut to 20%. New 40% first-year capital allowance for all businesses. Business Asset Disposal Relief rate rises to 18%. Making Tax Digital for Income Tax starts for self-employed people and landlords with qualifying income over £50,000.

July 2026

5 Last date to agree a new PAYE Settlement Agreement (PSA) for 2025/26.

6 Employers submit P11D and P11D(b) for 2025/26 to HMRC and give copies to employees.

22 Pay class 1A NICs (19 July if not paying electronically).

31 Second payment on account for 2025/26 income tax and class 4 NICs.

August 2026

1 Penalty of 5% of the tax due or £300, whichever is greater, where the 2024/25 tax return has not been filed.

October 2026

5 Deadline to register for Self Assessment for 2025/26.

22 Pay tax and class 1B NICs on PSAs (19th if not paying electronically).

31 Deadline for 2025/26 tax returns filed on paper.

December 2026

30 File the 2025/26 return online by today to have underpaid PAYE tax collected through your 2027/28 tax code.

January 2027

31 File the 2025/26 Self Assessment return online. Pay the balance of 2025/26 income tax, class 4 NICs, CGT and voluntary class 2 NICs, plus the first payment on account for 2026/27.

February 2027

1 Initial penalty where the 2025/26 return has not been filed, or was filed on paper after 31 October 2026.

March 2027

3 First 5% penalty on 2025/26 tax still unpaid.

April 2027

6 Income tax rates on property income (England and Northern Ireland) and savings income rise by 2%. Making Tax Digital threshold falls to qualifying income over £30,000. (The planned cut to the cash ISA limit was reversed in the Autumn Budget 2026, so it stays at £20,000.)

Make payment on the previous working day where the due date falls on a weekend or bank holiday.

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Talk to us before you act

Tax rules change often and every situation is different. Speak to us before making a decision: afterwards it is often too late.

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