

## TAX-FREE MILEAGE ALLOWANCES

Cars and vans	First 10,000 business miles p.a.	45p
	Thereafter	25p
Motorcycles		24p
Bicycles		20p
Business passenger		5p

### Fuel only allowance for company cars

From 1 March 2025	Petrol	Diesel	LPG
Up to 1400cc*	12p	12p	11p
1401** - 2000cc	15p	13p	13p
Over 2000cc	23p	17p	21p

These rates are reviewed quarterly and therefore rates may change within the tax year. The latest rates can be found at:

From 1 March 2025 the advisory rate for fully electric cars will be 7p  
<https://www.gov.uk/government/publications/advisory-fuel-rates>

\*1600cc for diesel \*\*1601cc for diesel

## VEHICLE AND FUEL BENEFITS IN KIND (BIK)

The taxable BIK is calculated as a percentage of the car's UK list price. The percentage depends on the car's CO<sub>2</sub> emission in grams per kilometre (g/km).

Emissions	Electric Mileage Range	Petrol*
0g/km	n/a	3%
1-50g/km	Over 130 miles	3%
	70-129 miles	6%
	40-69 miles	9%
	30-39 miles	13%
	Under 30 miles	15%
51-54g/km	n/a	16%
Over 54g/km	n/a	Add 1% for every 5g/km
Maximum		37%

\*Add 4% supplement for Diesel cars (up to a maximum of percentage of 37%) which do not meet the RDE2 standard.

Where the cost of all fuel for private use is borne by the employee, the fuel benefit is nil. Otherwise, the fuel benefit is calculated by applying the car benefit percentage (above) to £28,200 (2024/25 £27,800).

Vans where private use is more than home to work travel: £4,020 and £769 (2024/25 £3,960 and £757) for private fuel. Payments by employees for private use may reduce these BIKs.

Double cab vans taxed as company cars from 6 April 2025 onwards.

## VALUE ADDED TAX

From 1 April	2025	2024
Standard rate	20%	20%
VAT fraction	1/6	1/6

0% VAT on Energy Saving Materials from 1 April 2022 extended to 2027.

### Taxable turnover limits

Registration (last 12 months or next 30 days over)	£90,000	£90,000
Deregistration (next year under)	£88,000	£88,000
Annual and cash accounting schemes	£1,350,000	£1,350,000
Flat rate scheme	£150,000	£150,000

## STAMP TAXES

Stamp duty is payable at a rate of 0.5% on transfers of shares and securities of £1,000 and over.

### Stamp Duty Land Tax (from 1 April 2025)

On the transfer of residential property		On the transfer of non-residential property	
£0 - £125,000	0%	£0 - £150,000	0%
£125,001 - £250,000	2%	£150,001 - £250,000	2%
£250,001 - £925,000	5%	£250,001 and over	5%
£925,001 - £1,500,000	10%		
£1,500,001 and over	12%		

5% surcharge for purchases of additional residential properties over £40,000. Different rates apply for non-natural persons and non-UK residents. Land transactions in Wales and Scotland are subject instead to Land Transaction Tax.

## DUE DATES FOR TAX PAYMENTS

Income tax and Class 4 NIC	2025/26	2024/25
1st payment on account (31 January)	2026	2025
2nd payment on account (31 July)	2026	2025
Balancing payment (31 January)	2027	2026
Capital gains tax (31 January)*	2027	2026

Inheritance tax Normally six months after end of the month in which death occurs

\* Tax payable on gains on the disposal of residential property is due within 60 days of completion from 27 October 2021.

### Corporation Tax

Small and medium companies
Nine months and one day after the end of the accounting period.

### Large companies

Four quarterly instalments commencing six and a half months into the accounting period. For accounting periods commencing on or after 1 April 2019, very large companies must pay their QIPs prior to the end of the accounting period. Please call Pierce for details.

## RATES FOR 2025/26

The rates and allowances shown on this card are for information only. Always seek professional advice before acting. Rates correct as of 27 March 2025.

AUDIT AND ACCOUNTANCY  
 BUSINESS CONSULTANCY  
 BUSINESS & PERSONAL TAX  
 COMPANY SECRETARIAL SERVICES  
 CORPORATE FINANCE  
 FORENSIC ACCOUNTING  
 ONLINE ACCOUNTING  
 PAYROLL AND AUTO ENROLMENT  
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# Tax Facts 2025/2026

## INCOME TAX BANDS AND RATES

	2025/26	2024/25
Savings rate band	£5,000	£5,000
Savings tax rate	0%	0%
Basic rate band*	£37,700	£37,700
Basic tax rate*	20%	20%
Dividend ordinary tax rate	8.75%	8.75%
Higher rate band*	£37,701 – £125,140	£37,701 – £125,140
Higher rate tax*	40%	40%
Dividend higher tax rate	33.75%	33.75%
Additional rate band	Over £125,140	Over £125,140
Additional tax rate*	45%	45%
Dividend additional tax rate	39.35%	39.35%

### Personal Tax Allowances

Personal Allowance		£12,570	£12,570
Marriage Allowance **		£1,260	£1,260
Blind person's Allowance		£3,130	£2,870
Dividend Allowance***		£500	£1,000
Personal Savings Allowance	Basic rate taxpayer	£1,000	£1,000
	Higher rate taxpayer	£500	£500

The minimum Personal Allowance is reduced by £1 for each £2 of income from £100,000 to £125,140 (2024/25 £125,140).

\* Scottish and Welsh residents may be subject to different tax bands and rates.

\*\* Not available where recipient is liable to higher or additional tax rates.

\*\*\* The Dividend Allowance taxes the first £500 of dividends received at 0% irrespective of which rate band the income falls in.

### Allowances that reduce tax

Married Couple's Allowance (MCA) tax reduction	£1,127.00	£1,108.00
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Available to people born before 6 April 1935. The age for MCA is of the elder spouse or civil partner. The loss of tax reduction is 10p for each £2 of income above £37,700 (2024/25 £37,700) until the minimum of £4,360 (2024/25 £4,280) is reached.

## HIGH INCOME CHILD BENEFIT CHARGE

	2025/26	2024/25
Arises on income over	£60,000	£50,000

There is a tax charge of 1% of the child benefit received for each £200 (£200 2024/25) that taxable income exceeds £60,000 (£60,000 2024/25) up to a maximum of 100%.

## NATIONAL INSURANCE

### Class 1 (not contracted out)

	Employer	Employee
Lower earnings limit	n/a	£125
On weekly earnings of £96 - £242	15%	0%
On weekly earnings of £242.01 - £967	15%	8%
Over £967	15%	2%
Over state retirement age	15%	0%

### Class 1A

On relevant benefits	15%	n/a
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### Class 2\*

Self employed		N/A
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\*Abolished from April 2024. Self employed individuals with profits in excess of £6,845 (£6,725 for 2024/25) will continue to receive access to contributory benefits including the State Pension. Those with profits below those amounts can pay Class 2 NIC voluntarily at £3.50 pw (£3.45 pw for 2024/25) to get access to contributory benefits.

### Class 3

Voluntary	£17.75 per week
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### Class 4\*

Self-employed on profits £12,570 - £50,270	6%
Above £50,270	2%

\*Exemption applies if the state retirement age is reached by 6 April 2025.

## PENSION CONTRIBUTIONS

Maximum annual tax efficient gross contributions to age	74
• Individuals	£3,600 or 100% of earnings to £60,000*
• Employers	£60,000* less employee contributions
Normal age for assessing benefits	55
Lifetime allowance	Abolished from 6 April 2024
Lump sum allowance	£268,275
Lump sum & death benefit allowance	£1,073,100
Overseas transfer allowance	£1,073,100

\*The annual contribution may be increased to include the unused amounts from the previous three years, subject to specific conditions. The £60,000 Annual Allowance is gradually reduced by £1 for every £2 the individual's income is in excess of £260,000.

\*\*The Lifetime Allowance has been abolished from 6 April 2024 but the lifetime allowance charge has been removed from 6 April 2023.

## INHERITANCE TAX

	2025/26	2024/25
Standard threshold	£325,000	£325,000
Combined threshold maximum for married couples and civil partners	£650,000	£650,000
Residence nil rate band *	£175,000	£175,000
BPR/APR		

\* Only available to estates valued at under £2million.

### Rates of tax on balance

Chargeable lifetime transfers	20%	20%
Reduced rate	36%	36%
Transfer on or within seven years of death	40%	40%

All lifetime transfers not covered by exemptions and made within seven years of death will be added back into the estate for the purposes of calculating the tax payable. This may be reduced as follows:

Years before death	0-3	3-4	4-5	5-6	6-7
Tax reduced by	0%	20%	40%	60%	80%

### Main exemptions

- Most transfers between spouses and between civil partners.
- First £3,000 of lifetime transfers in any tax year plus any unused from the previous year.
- Gifts up to £250 p.a. to any number of persons.
- Gifts made out of income that form part of normal expenditure and do not reduce the standard of living.
- Gifts in consideration of marriage/civil partnership up to £5,000 by a parent, £2,500 by grandparents, or £1,000 by any other.
- Gifts to charities, whether made during lifetime or on death.

## CAPITAL GAINS TAX

		2025/26	2024/25
Residential Property	Lower rate	18%	18%
	Higher rate	24%	24%
Other disposals	Lower rate	18%	10%
	Higher rate	24%	20%
Annual exemption	Individual	£3,000	£3,000
Entrepreneurs' Relief	Applicable rate	14%	10%
	Lifetime limit	£1m	£1m

## INVESTMENT RELIEFS

Enterprise Investment Scheme	Limit	£1,000,000*
	Relief rate	30%
Venture Capital Trust	Limit	£200,000
	Relief rate	30%
Seed Enterprise Investment Scheme	Limit	£200,000
	Relief rate	50%

\* Up to £2m for knowledge-intensive companies.

## CORPORATION TAX

Financial year from 1 April	2025	2024
Small Profits Rate	19%	19%
Main Rate	25%	25%
Small Profits Limit	£50,000	£50,000
Marginal Relief Lower Limit	£50,000	£50,000
Marginal Relief Upper Limit	£250,000	£250,000
Marginal Relief Fraction	3/200	3/200

## MAIN CAPITAL ALLOWANCES

### Plant and machinery

First year allowance: for new and unused electric or zero emission cars, electric- vehicle charging points, zero emission goods vehicles. (Available until 31 March 2026.)	100%
Annual investment allowance: on first £1,000,000 investment excluding cars.	100%
Full Expensing: for companies purchasing new plant & machinery normally qualifying at the 18% main rate, excluding cars and assets for leasing.	100%
50% First Year Allowance: for companies purchasing new plant & machinery normally qualifying at the 6% special rate, excluding cars and assets for leasing.	50%

### Writing down allowances

Other plant and machinery	18%	
Long life assets, integral features of buildings & thermal insulation	6%	
Structures and Buildings Allowance	3%	
Cars	1g/km - 50g/km	18%
	Over 50g/km	6%