

# TAX TABLES

## 2022/23



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## RATES OF INCOME TAX

2022/23					2021/22				
BAND	TAXABLE INCOME RATE	"EARNED" RATE	SAVINGS RATE**	DIVIDEND RATE***	BAND	TAXABLE INCOME RATE	"EARNED" RATE	SAVINGS RATE**	DIVIDEND RATE***
STARTING RATE*	Up to £5,000	20%	0%	8.75%	STARTING RATE*	Up to £5,000	20%	0%	7.5%
BASIC RATE	Up to £37,700	20%	20%	8.75%	BASIC RATE	Up to £37,700	20%	20%	7.5%
HIGHER RATE	Up to £150,000	40%	40%	33.75%	HIGHER RATE	Up to £150,000	40%	40%	32.5%
ADDITIONAL RATE	Over £150,000	45%	45%	39.35%	ADDITIONAL RATE	Over £150,000	45%	45%	38.31%

\* If an individual's non-savings income exceeds £5,000 then the starting rate for savings income will not be available.

\*\* Generally, to determine the rate of tax the gross savings income is added to other taxable income.

\*\*\* Generally, to determine the rate of tax the dividend income is treated as the top-slice of income after deducting the dividend allowance.

## SCOTTISH RATES OF INCOME TAX

2022/23			2021/22		
BAND	TAXABLE INCOME RATE	RATE	BAND	TAXABLE INCOME RATE	RATE
PERSONAL ALLOWANCE	Up to £12,570	0%	PERSONAL ALLOWANCE	Up to £12,570	0%
STARTING RATE	Up to £14,667	19%	STARTING RATE	Up to £14,667	19%
BASIC RATE	Up to £25,296	20%	BASIC RATE	Up to £25,296	20%
INTEMEDATE RATE	Up to £43,662	21%	INTEMEDATE RATE	Up to £43,662	21%
HIGHER RATE	Up to £150,000	41%	HIGHER RATE	Up to £150,000	41%
ADDITIONAL RATE	Over £150,000	46%	ADDITIONAL RATE	Over £150,000	46%

Those earning more than £100,000 will see their Personal Allowance reduced by £1 for every £2 earned over £100,000.

## INCOME TAX ALLOWANCES

	2022/23	2021/22
PERSONAL ALLOWANCE	£12,570	£12,570
DIVIDEND ALLOWANCE	£2,000	£2,000
PERSONAL SAVINGS ALLOWANCE:		
BASIC RATE TAXPAYER	£1,000	£1,000
HIGHER RATE TAXPAYER	£500	£500
MARRIED COUPLE'S ALLOWANCE*		
MAXIMUM ALLOWANCE	£9,415	£9,125
MAXIMUM ALLOWANCE	£3,640	£3,530
INCOME LIMIT FOR MARRIED COUPLE'S ALLOWANCE	£31,400	£30,400
BLIND PERSON'S ALLOWANCE	£2,600	£2,520
INCOME LIMIT FOR AGE-RELATED ALLOWANCES	£31,400	£30,400
RENT A ROOM RELIEF LIMIT	£7,500	£7,500
TRADING INCOME ALLOWANCE	£1,000	£1,000
PROPERTY INCOME ALLOWANCE	£1,000	£1,000

\*Relief restricted to 10%

Where an individual's "adjusted net income" is above the income limit of £100,000 per annum, the amount of the personal allowance will be reduced by £1 for every £2 of income above the limit until it is eliminated.

Married Couple's Allowance (MCA) is only available for married couples where at least one of the parties was born before 6 April 1935. However, where a person born before 6 April 1935 gets married they or their spouse will be able to claim MCA.

The age-related allowances are reduced by £1 for every £2 of the individual's income above the income limit subject to the minimum personal allowances of those aged up to 65. For those still entitled to the age-related married couple's allowance, the minimum amount will be £3,640.

	2022/23	2021/22
ENTERPRISE INVESTMENT SCHEME (relief at 30%)	£2M*	£2M*
SEED ENTERPRISE INVESTMENT SCHEME (relief at 30%)	£100,000	£100,000
VENTURE CAPITAL TRUST (relief at 30%)	£200,000	£200,000

\*Any investment over £1million must be invested in knowledge-intensive companies.

## ISA ALLOWANCES

	2022/23	2021/22
STOCKS AND SHARES ISA	£20,000	£20,000
CASH ISA	£20,000	£20,000
JUNIOR ISA	£9,000	£9,000
LIFETIME ISA	£4,000	£4,000

For savers, the Individual Savings Allowance for 2022-23 will be set at £20,00, this is the case for Cash ISAs and Stocks & Shares ISAs.

The allowance for Junior ISAs and Lifetime ISAs also remain unchanged.

## CAPITAL GAINS TAX FOR INDIVIDUALS

2022/23	
Gains	Rate%
Up to £12,300	0%
Over £12,300	10% & 20% **/ 18% & 28%

2021/22	
Gains	Rate%
Up to £12,300	0%
Over £12,300	10% & 20% **/ 18% & 28%

CGT annual exemption will be fixed at £12,300 until April 2026 for individuals and personal representatives.

\*\* A rate of 20% / 28% is payable by individuals with capital gains in excess of their annual exemption which, when added to their income, exceed the income tax higher rate threshold £37,700 for 2021/22 and 2022/23. Where the income and capital gains don't exceed the threshold, the rate of 10% / 18% will apply and gains straddling the threshold will pay 10% / 18% on the amount of gain below the threshold and 20% / 28% above it.

Individuals will pay 18% or 28% on gains on residential property that are ineligible for Private Residence Relief.

Entrepreneurs' relief (aka business asset disposal relief) is available for qualifying business disposals.

**CAPITAL GAINS TAX FOR TRUSTS**

2022/23	
Gains	Rate %
Up to £6,150*	0%
Over £6,150	20% / 28%

2021/22	
Gains	Rate %
Up to £6,150*	0%
Over £6,150	20% / 28%

\* The annual exemption will be fixed at £6,150 until April 2026. This is shared between all trusts created by the same settlor, subject to a minimum per trust of £1,230.

Trusts will continue to pay 28% on gains on residential property that do not receive principal private residence relief.

Gains arising on bare trusts are not taxable upon the trustees but instead are taxed upon the beneficiary and the rules for individuals will apply.

## INHERITANCE TAX

MAIN EXEMPTIONS	
GIFTS TO SPOUSE DOMICILED IN UK	£ Unlimited
ANNUAL EXEMPTION	£3,000
SMALL GIFTS	£250
GIFTS IN CONSIDERATION OF MARRIAGE:	
BY PARENT	£5,000
BY GRANDPARENT OR FIANCÉ	£2,500
BY ANY OTHER PERSON	£1,000
GIFTS TO CHARITY	£ Unlimited
NORMAL EXPENDITURE OUT OF INCOME EXEMPTION MAY ALSO BE AVAILABLE.	
LIFETIME GIFTS	
Taper relief may be available to reduce the tax payable for non-exempt lifetime gifts made between three and seven years before the death of the donor. Where tax is payable on chargeable lifetime gifts, tax is initially charged at 20%.	

### CLASS 2/4 – SELD EMPLOYED

Flat rate of £3.15 pw if earnings from 6th April 2022 are greater than £6,725 pa. Plus 10.25% of profits between £9,880 and £50,270 pa and 3.25% above £50,270 pa.

RATE OF TAX FROM 06/04/22	TAXABLE ESTATE ON DEATH* *
Nil	On first £325,000
40%	Over £325,000

## NATIONAL INSURANCE CONTRIBUTIONS

CLASS 1 – EMPLOYED EARNERS			
<b>Class 1 (Primary)</b> - 0% below PT, 13.25% between PT & UEL and 3.25% above the UEL (paid by employees)			
<b>Class 1A (secondary)</b> – 0% below ST and 15.05% above with no lower amount or limit (paid by employers)			
	WEEK	MONTH	YEAR
PRIMARY EARNINGS THRESHOLD* (PT)	£190/week	£823/month	£9,880/year
SECONDARY EARNINGS THRESHOLD (ST)	£175/week	£758/month	£9,100/year
LOWER EARNINGS LIMIT (UEL)	£123/week	£533/month	£6,396/year
UPPER EARNINGS LIMIT (UEL)	£967/week	£4,189/month	£50,270/year
Reduced rate for certain widows and married women: 7.1% of earnings between £190 pw and £967 pw plus 3.25% of earnings above £967 pw.			

\* The primary earnings threshold will increase to £12,570 from 6 July 2022.

SELF-EMPLOYMENT	2022/23	2021/22
SMALL PROFITS THRESHOLD	£6,725	£6,515
LOWER PROFITS LIMIT	£9,880 (April - June) £12,570 (July - March)	£9,568
UPPER PROFITS LIMIT	£50,270	£50,270
CLASS 2	£3.15 a week if profits over the small profits threshold	£3.05 a week if profits over the lower profits limit
CLASS 3 (VOLUNTARY)	£15.40 A WEEK	£15.85 A WEEK
CLASS 4 (ADDITIONAL LEVY) Profits between the lower profits limit and the upper profits limit	9%	10.25%
Profits over the upper profits limit	2%	3.25%

Individuals normally don't pay NI beyond State Pension age, but employer contributions continue. However, for the 2022/23 tax year, individuals still working beyond State Pension age will pay NI at 1.25%.

## STATE PENSION

	2022/23 (per week)	2021/22 (per week)
Basic State Pension (SPA* before 6 April 2016)		
SINGLE PERSON	£141.85	£137.60
MARRIED COUPLES/CIVIL PARTNERS	£226.85	£220.05
NEW STATE PENSION (SPA* after 5 April 2016)	£185.15	£179.60
STATE PENSION CREDIT (single person)		
GUARANTEED ELEMENT	£182.60	£177.10
SAVINGS ELEMENT	up to £14.48	up to £14.04
STATE PENSION CREDIT (married couple and civil partners)		
GUARANTEED ELEMENT	£278.70	£270.30
SAVINGS ELEMENT	Up to £16.20	Up to £15.71

\* SPA = State Pension Age.



## PERSONAL RETIREMENT PROVISION

Tax relief is available in respect of personal contributions made to a registered pension scheme provided the individual is a relevant UK individual for the tax year in question. The maximum amount of contribution that qualifies for tax relief in any tax year is the greater of: The basic amount – currently set at £3,600, and 100% of the individual's relevant UK earnings chargeable to income tax (subject to the annual allowance of £40,000).

The limits are cumulative across all pension schemes rather than relating to one individual scheme. In addition to the personal contribution limit each individual also has an annual allowance limit encompassing all pension contributions made in the tax year on behalf of the individual. The annual allowance for 2022/23 is set at £40,000, although it may be possible to carry forward the allowance for the previous three tax years.

There is a lifetime allowance limit for pensions savings of currently £1,073,100 across all pension arrangements.

### REGISTERED PENSION SCHEMES

STANDARD LTA	£1,073,100
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## OTHER

### VALUE ADDED TAX

STANDARD RATE	20%
REGISTRATION LEVEL	£85,000 per annum from 1 April 2022

### CORPORATION TAX

RATE	2022/23	2021/22
UNIFIED RATE ON ALL PROFITS	£19%	19%

Corporation tax rates from 1 April 2023

The main rate will be set at 25%.

A small profits rate of 19% will be introduced for companies with profits of £50,000 or less.

The rate for companies with profits between £50,000 and £250,000 will gradually increase from 19% to 25%.

## IMPORTANT DATES

### CORPORATION TAX

FOR FINANCIAL YEAR 2022	RATE
All profits	19%

### INCOME TAX

PAYMENTS ON ACCOUNT	<p>31 January during the tax year, and 31 July following the end of the tax year. Normally each of these will be half* of the tax due for the previous tax year.</p> <p>* If you know that your income for the current year will be lower than the previous year's income, you can ask HMRC to reduce your payments on account. But if HMRC later find that extra tax was due, you'll have to pay interest on it. You may also have to pay a penalty if you've asked HMRC to reduce the payments without taking proper care.</p>
BALANCING PAYMENT	31 January following the end of the tax year.
EMPLOYEE P11D	6 July after the end of the tax year.
TAX RETURNS	<p>31 January after the end of the tax year for online returns.</p> <p>31 October after the end of the tax year for paper tax returns.</p> <p>If the individual receives the tax return after 31 July, the deadline is three months following the date of issue of the notice.</p> <p>30 December after the end of the tax year for an online return if HMRC to collect tax through PAYE tax code (where possible) if the amount of tax owed is less than £3,000</p>

### CAPITAL GAINS TAX

31 January (online returns) or 31 October (paper returns) following the end of the tax year in which the gain has arisen.

From 27 October 2021 CGT a sale or disposal of residential property must be reported (online) and tax paid within 60 days of the transaction. Disposals between 6 April 2020 and 26 October 2021 must be reported within 30 days of the transaction.

### CORPORATION TAX

Stand alone companies with taxable profit up to £1.5M - nine months and one day after the end of the accounting period (AP).

Companies with taxable profits over £1.5M \*\* will pay Corporation Tax in four equal quarterly instalments starting between the sixth and seventh month of the AP and based on estimated liabilities.

\*\* Excludes companies whose profits in the immediately preceding period were less than £1.5M and in the current period less than £10M.

DEATH	Normally six months after the end of the month in which death occurred.
LIFETIME TRANSFER	Normally six months after the end of the month in which the transfer is made.



#### Important Information

The information is based upon our interpretation of current tax law and legislation which is subject to change.

While we believe this interpretation to be correct, it cannot be guaranteed and Scott Fyffe Wealth Management cannot accept any responsibility for any action taken or refrained from being taken as a result of the information contained within this summary. Please obtain professional advice before entering into or altering any new arrangement.