



**CITADEL**  
*Financial Solutions*

**TAX  
FACTS**

**2026/27**

Tax is complicated,  
so you need the facts



# Income Tax Rates

## Non-savings, non-dividend income – England, Wales, NI

2025/26	Band	2026/27	Band
Basic rate: 20%	£0 – £37,700	Basic rate: 20%	£0 – £37,700
Higher rate: 40%	£37,701 – £125,140	Higher rate: 40%	£37,701 – £125,140
Additional rate: 45%	Over £125,140	Additional rate: 45%	Over £125,140

## Non-savings, non-dividend income – Scotland

2025/26	Band	2026/27	Band
Starter rate: 19%	£0 – £2,827	Starter rate: 19%	£0 – £3,967
Basic rate: 20%	£2,828 – £14,921	Basic rate: 20%	£3,968 – £16,956
Intermediate rate: 21%	£14,922 – £31,092	Intermediate rate: 21%	£16,957 – £31,092
Higher rate: 42%	£31,093 – £62,430	Higher rate: 42%	£31,093 – £62,430
Advance rate: 45%	£62,431 – £125,140	Advance rate: 45%	£62,431 – £125,140
Top rate: 48%	Over £125,140	Top rate: 48%	Over £125,140

## Savings and dividend income – UK

	2025/26	2026/27
Savings income – basic rate	20%*	20%*
Savings income – higher rate	40%	40%
Savings income – additional rate	45%	45%
Dividends – basic rate	8.75%	10.75%
Dividends – higher rate	33.75%	35.75%
Dividends – additional rate	39.35%	39.35%

## Income Tax Allowances – UK

\*0% starting rate on up to £5,000 of savings income for 2025/26 & 2026/27. Not available if taxable non-savings/non-dividend income exceeds this limit.

Allowances		2025/26	2026/27
Personal allowance (PA)*		£12,570	£12,570
Married couple's allowance (MCA) ø	Spouse/civil partner born before 6.4.1935	£11,270	£11,700
Minimum MCA		£4,360	£4,530
Blind person's allowance		£3,130	£3,250
Marriage allowance**		£1,260	£1,260
PA income limit		£100,000	£100,000
MCA income limit		£37,700	£39,200
Dividend allowance		£500	£500
Personal savings allowance	Basic rate tax taxpayers	£1,000	£1,000
	Higher rate tax taxpayers	£500	£500

\* PA reduces by £1 for every £2 adjusted net income exceeds PA income limit.

ø MCA relief at 10% if at least one spouse/civil partner born before 6.4.1935. Reduces by £1 for every £2 adjusted net income exceeds MCA income limit, but not below minimum.

\*\*One spouse/civil partner can transfer up to 10% of their PA to the other, provided neither is liable to tax above the basic rate.

## Company Car Benefit

The tax charge is calculated as a percentage – ranging from 3% to 37% for 2025/26 and from 4% to 37% for 2026/27 – which is determined by the CO2 emissions figure for the car. An extra charge of up to 4% subject to a maximum of 37% applies to some diesel cars.

## Value Added Tax

	From 1.4.2025	From 1.4.2026
Standard rate	20%	20%
Registration level	£90,000	£90,000
De-registration level	£88,000	£88,000

## Corporation Tax

	Year to 31.3.2026	Year to 31.3.2027
Small profit rate – taxable profits up to £50,000	19%	19%
Main rate – taxable profits over £250,000	25%	25%
Marginal relief fraction	3/200	3/200

## Capital Gains Tax

Exemptions	2025/26	2026/27
Individuals & LPRs*	£3,000	£3,000
Trusts	£1,500	£1,500

\* Legal personal representatives (LPRs) are entitled to the annual exemption in the tax year of death and the next two tax years.

Rates	2025/26	2026/27
Individuals' gains:		
• within available basic rate band*	18%	18%
• on the balance*	24%	24%
Trustees' & LPRs' gains*	24%	24%
Business asset disposal relief	• 14% on the first £1m lifetime gains	• 18% on the first £1m lifetime gains
Investors' relief	• 14% on the first £1m lifetime gains	• 18% on the first £1m lifetime gains

\* Residential property not covered by principal private residence relief: 18%/24%. Carried interest: 32% for 2025/26. From 6th April 2026, carried interest will be taxed fully within the income tax framework. Companies' gains charged at corporation tax rate, with indexation allowance frozen for disposals from 1.1.2018.

# Inheritance Tax

Chargeable transfers	2025/26	2026/27
Standard nil-rate band	£325,000	£325,000
Residence nil-rate band (available only on death, subject to conditions)	£175,000	£175,000
Tax on excess value of chargeable transfer on death and lifetime transfers made within seven years of death	40%	40%
Tax on excess value for chargeable transfers on death where 10% or more of net estate left to charity	36%	36%
Tax on excess value for other chargeable lifetime transfers	20%	20%

## Reduced tax charge on gifts within seven years before death (taper relief)

Years before death	0–3	3–4	4–5	5–6	6–7
% of death charge	100	80	60	40	20

## Main exemptions

Gifts to charities		Unlimited
Gifts between UK domiciled spouses		Unlimited
Annual		£3,000
Small gifts to any one person		£250
Gifts on marriage/civil partnership from:	Parent	£5,000
	Party to marriage/civil partnership or grandparent	£2,500
	Other	£1,000

# Stamp Duty Land Tax

Stamp Duty Land Tax applies in England & Northern Ireland.

For more information including rates and bands see:

<https://www.gov.uk/stamp-duty-land-tax>

# Land & Buildings Transaction Tax

Land & Buildings Transaction Tax applies in Scotland. For more information including rates and bands see: [www.revenue.scot/land-buildings-transaction-tax](http://www.revenue.scot/land-buildings-transaction-tax)

# Land Transaction Tax

Land Transaction Tax applies in Wales. For more information including rates and bands see: <https://gov.wales/land-transaction-tax-guide>

# Main Due Dates for Tax Payment

## Income Tax

Interim payments: 31st January during the tax year and 31st July following the end of the tax year:

Final payment: 31st January following the end of the tax year.

## Capital Gains Tax

Normally, 31st January following the end of the tax year: UK residential property disposals – within 60 days of completion of the sale.

## Inheritance Tax

Death: Normally six months after the end of the month of death.

Lifetime transfer: Six months after the end of the month of the transfer.

## Corporation Tax

Taxable profits up to £1.5m: 9 months and 1 day after end of accounting period.

£1.5m to £20m: 14th day of months 7, 10, 13 and 16 after start of a 12 month accounting period.

more than £20m: 14th day of months 3, 6, 9 and 12 of a 12 month accounting period.

## Key Benefits

		2025/26	2026/27
Child Benefit p.w.*	First child	£26.05	£27.05
	Other children	£17.25	£17.90
Pension Credit – Standard Minimum Income Guarantee p.w.	Single Person	£227.10	£238.00
	Couple	£346.60	£363.25
Jobseeker's Allowance p.w. age 25 and over		Up to £92.05 for single person	Up to £95.55 for single person
Old State Pension p.w. (reached SPA by 5.4.2016)		£176.45	£184.90
Addition for spouse or civil partner p.w.		£105.70	£110.75
New State Pension p.w. (reached SPA from 6.4.2016)		£230.25	£241.30

\*The high income child benefit charge effectively reduces child benefit by 1% for every £200 of income over £60,000 if recipient or their partner has adjusted net income over £60,000.

# National Insurance Contributions

## Class I Employees (Primary)

2025/26 Earnings p.w.	Employee	2026/27 Earnings p.w.	Employee
Below £242	Nil	Below £242	Nil
£242 – £967	8%	£242 – £967	8%
Over £967	2%	Over £967	2%

## Class I Employers (Secondary)

2025/26 Earnings p.w.	Employee	2026/27 Earnings p.w.	Employee
Below £96	Nil	Below £96	Nil
£96 – £967 (U21s/ apprentice U25s/ veterans)	Nil	£96 – £967 (U21s/ apprentice U25s/ veterans)	Nil
£96 – £481 (freeports/ investment zones)	Nil	£96 – £481 (freeports/ investment zones)	Nil
Over £96 (otherwise)	15%	Over £96 (otherwise)	15%

**Class IA:** Generally the employer rate on all benefits in kind is 15% for 2025/26 & 2026/27.

**Employment Allowance** reduces overall employer class I NICs by up to £10,500 for 2025/26 & 2026/27, subject to conditions.

## Voluntary

		2025/26	2026/27
Class 2 self-employed	Flat rate =	£3.50 p.w. £182.00 p.a.	£3.65 p.w. £189.80 p.a.
	if profits under	£6,845	£7,105
Class 3	Flat rate =	£17.75 p.w. £923.00 p.a.	£18.40 p.w. £956.80 p.a.

## Self Employed

		2025/26	2026/27
Class 2	n/a	n/a	n/a
Class 4	Rate = on profits	6% £12,570 – £50,270 2% Over £50,270	6% £12,570 – £50,270 2% Over £50,270

# Pensions – Maximum Contributions Limit

The maximum amount of contributions on which a member can claim tax relief in any tax year is the greater of:

- the 'basic amount' – currently £3,600 gross, and
- the amount of the individual's relevant UK earnings that are chargeable to income tax for the year.

## Pension Savings Allowances

	Tax year	Amount
Lifetime allowance (LTA)	2020/21 to 2023/24	£1,073,100

For tax years up to 2022/23, 55% LTA charge on excess paid as a lump sum and 25% LTA charge on excess designated for drawdown, annuity or scheme pension. LTA charges don't apply in 2023/24 – any excess lump sums taxed at member's or beneficiary's marginal rate of income tax.

	Tax year	Amount
Lump sum allowance (LSA)	2025/26 & 2026/27	£268,275
Lump sum & death benefit allowance (LSDBA)	2025/26 & 2026/27	£1,073,100
Overseas transfer allowance (OTA)	2025/26 & 2026/27	£1,073,100

If authorised lump sum exceeds LSA or LSDBA, as relevant, excess taxed at member's or beneficiary's marginal rate of income tax.

If QROPS transfer not subject to overseas transfer charge (OTC) exceeds OTA, 25% OTC applies to excess.

## Annual Allowance

Tax Year	AA Amount	MPAA Amount
2017/18 to 2022/23	£40,000#	£4,000
2023/24 to 2026/27	£60,000#	£10,000

**Annual Allowance Charge:** marginal income tax rate on excess, subject to a minimum of 20%.

**Carry forward** of up to three tax years unused annual allowance available.

**Money Purchase Annual Allowance (MPAA):** applies with no carry forward to money purchase pensions once flexible pension income taken.

# **Tapered annual allowance:** for 2020/21 to 2022/23, tapered by £1 for every £2 of 'adjusted income' over £240,000 to a minimum of £4,000 if 'threshold income' is over £200,000.

For 2023/24 to 2026/27, tapered by £1 for every £2 of 'adjusted income' over £260,000 to a minimum of £10,000 if 'threshold income' is over £200,000.

# ISA Limits

	Overall Limit
ISA 2025/26 & 2026/27*	£20,000
Junior ISA / Child Trust Fund 2025/26 & 2026/27	£9,000

\* Eligible savers can contribute up to £4,000 of the overall ISA limit to a Lifetime ISA.

The spouse/civil partner of a deceased ISA saver has an additional ISA allowance equal to the value of the deceased's ISA(s) at the date of death or at the date the ISA ceased to be a continuing account of the deceased, whichever is higher.

This information is based on our understanding of the Chancellor's 26th November 2025 Budget, the Scottish Budget announcement on 13th January 2026, and the Welsh Budget announcement on 20th January 2026.

It must be remembered that these proposals could change.

Every care has been taken to ensure that this information is correct and in accordance with our understanding of the law and HM Revenue & Customs practice, which may change. However, independent confirmation should be obtained before acting or refraining from acting in reliance upon the information given.





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