

TAX GUIDE 2024-25

PERSONAL TAXES

INCOME TAX

	2024-25	2023-24		
Starting rate for savings only income 0%	£5,000	£5,000		
Dividend allowance 0%	£500	£1,000		
Basic rate 20% (8.75% for dividends)	£37.700	£37,700		
2000 1010 2010 (011011) 0110 (011001)	201,700	207,700		
Higher rate 40% (33.75% for dividends)	£37,701- £125,140	£37,701- £125,140		
Additional rate 45% (39.35% for dividends)	£125,141+	£125,141+		
Personal savings allowance: £0 for basic rate taxpayers on £1,000; £500 for higher rate taxpayers				

Personal allowances 2024-25 2023-24 £12,570 £12,570*

Everyone No longer any age-related additional allowances

*Reduced by £1 for every £2 above income limit, where income exceeds £100,000

NI CONTRIBUTIONS

Class 1 - Employer

Weekly earnings % of all earnings

NIL £0 - £123 £124 - £175 0.0% 13.8% Over £175

Class 1 - Employee

Weekly earnings % of all earnings

£0 - £123 NIL £124 - £242 0.0% £243 - £967 8% Over £967 2%

The above rates apply to those not contracted out of S2P.

Class 1A.....Employer......13.8% Class 3......Voluntary.....£17.45 pw **Class 4**.....S/Employed.....£0-£12,570......0% £12,571 - £50,270......6%

*Payable on a voluntary basis only (23/24 payable on net earnings over £12,570)

CAPITAL GAINS TAX

	2024-25	2023-24		
Individual exemption	£3,000	£6,000		
Chattels exemption	£6,000	£6,000		
Trusts exemption	£1,500	£3,000		
Transfers between married partners living together are exempt.				
, ,				
Main rate	20%*	20%*		
Basic rate	10%*	10%*		
Entrepreneurs rate**	10%	10%		
*Does not apply to residential property which is 24% (was 28% in 2024) and 18%				

**Available on first £1mil of eligible gains in lifetime where disposal is post 11th March 2020

INHERITANCE TAX

Exempt transfers:

- · Gifts to UK domiciled spouse
- · Gifts to charity
- · Overseas domiciled spouse up to £325,000
- · Annual exemption £3,000
- · Small gifts £250
- · Wedding gifts: £5k child, £2,500 grandchild or remoter issue, £1k other
- · Non-UK assets held by non-domiciled person

Nil rate band: £325,000 Residence Nil rate band: £175,000 Rate of tax at death: 40%*
*36% where 10% of estate left to charity

Lifetime tax rate: 20% No IHT transfers to individuals unless death within 7 years

Reduced tax charge on gifts made when death is within 7 years:

0-3 3-4 4-5 100 80 60 6-7 Years: 5-6 % taxable: 40 20

PENSIONS

Over £50,270......2%

Annual allowance......100% of net relevant earnings or £3,600 if higher

2024-25 2023-24

Capped at £60,000 £60,000

Ability to utilise unused annual allowances of up to £6.000 Ability to utilise unused annual allowances of up to £6,000 for 2024 and £40,000 for 2023 and 2021 fimember of defined benefit or contribution scheme in previous 3 years. Amount is tapered if adjusted annual income exceeds £260,000 (£240,000 in 2023). Money purchase annual allowance (if in drawdown) £10,000.

Lifetime limit......Unlimited

Amounts exceeding £1,073,100 taxed at marginal rates if extracted as a lump sum.

ISA ALLOWANCES

You do not pay tax on interest on cash in an ISA or income/Capital Gains from investments in an ISA

Every tax year you can save up to £20k in one account or split the allowance across multiple accounts.

You can only pay into one Lifetime ISA in a tax year. The max you can pay in is £4k.

If you complete a tax return, you do not need to declare any ISA interest, income or Capital Gains on it.

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BUSINESS TAXES

VAT (VALUE ADDED TAX)

1/6

£90.000

£88.000

£1.35m excl. VAT

£1.6mil excl. VAT

£150,000 excl. VAT

£230,000 incl. VAT

Standard rate: 20% From 1st April 2024

VAT fraction:

From 1st April 2024

Turnover registration limit:

Turnover deregistration limit:

Cash/annual accounting registration limit

Cash/annual accounting

deregistration limit

Flat rate scheme income registration limit

Flat rate scheme income

deregistration limit

VAT Scale Charge: Now based upon the CO2 emissions of

the vehicle concerned

MAIN CAPITAL ALLOWANCES

Motor cars (based on CO2 emissions)

0g/km CO2:

100% FYA only if purchased new

Less than 50g/km CO2: 51g/km CO2 or more: 18% 6% rb

Plant & machinerv*

18% rb

1076110

Computer equipment*

18% rb

Integral features

integral reature

6% rb

Goodwill
Structures &

4% on certain unconnected party transactions only

Buildings Allowance

3% sl

*Annual Investment Allowance: 100% allowance on certain capital expenditure up to £1mil (per group of associated companies) from 1st January 2019 onwards

Full expensing rate on P&M

100% FYA

Full expensing special rate

50% FYA

100%

New zero emissions goods vehicles, new electric charge point equipment

reducing balance

sl =

straight line basis

CORPORATION TAX

	1st Apr 2024	1st Apr 2023
Profits		
£0 - £50,000	19%	19%
£250,000+	25%	25%
Marginal relief band £50,000 - £250,000	effective rate of 26.5%*	

*Profits in the MRB are taxed at 25% and receive marginal relief at a fraction of 3/200. For example, a company with taxable profits of £100,000 will pay tax at an overall rate of 22.75%.

Where a limited company is controlled by the same company, person or persons as another limited company, they are associated for tax purposes and the thresholds are divided by the total number of associated companies.

For more information, please see this article:

What is an associated company?

MILEAGE ALLOWANCES

The maximum tax-free mileage allowances for employees using their own cars for business are:

2024/25	First 10k miles	10k+ miles
Car & van	45p	25p
Motorcycle	24p	24p
Bicycle	20p	20p

Notes:

- Payments in excess of approved rates are taxable
- Where payments are made at rates less than the approved rates, employees can claim tax relief on shortfall

VEHICLE BENEFITS

Chargeable on all directors and employees

Car benefit*:

This is now calculated as a percentage of the original list price of the vehicle

Car fuel benefit*:

This is now calculated as a percentage of a fixed sum of £27,800 $\,$

*Percentage used will be dependent on the level of CO2 vehicle emissions. Electric cars may be at 0%.

Van benefit:

£3,960 if there is any private use. Travel between home and work is not considered private use.

Van fuel benefit*:

£757

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