

# MELVILLE & CO

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## TAX RATES 2022/23



# Income Tax

**Rates and bands** (other than savings and dividend income)

| 2022/23          |        | 2021/22          |        |
|------------------|--------|------------------|--------|
| Band £           | Rate % | Band £           | Rate % |
| 0 - 37,700       | 20     | 0 - 37,700       | 20     |
| 37,701 - 150,000 | 40     | 37,701 - 150,000 | 40     |
| Over 150,000     | 45     | Over 150,000     | 45     |

Income tax rates in Scotland and Wales on income other than savings and dividend income have been devolved.

## Savings income 2022/23 and 2021/22

|                               |        |
|-------------------------------|--------|
| Savings allowance basic rate  | £1,000 |
| Savings allowance higher rate | £500   |

A starting rate of 0% may be available unless taxable non-savings income exceeds £5,000.

## Dividend income 2022/23      2021/22

|                          |        |        |
|--------------------------|--------|--------|
| Dividend allowance       | £2,000 | £2,000 |
| Dividend ordinary rate   | 8.75%  | 7.5%   |
| Dividend upper rate      | 33.75% | 32.5%  |
| Dividend additional rate | 39.35% | 38.1%  |

# Income Tax Reliefs

|                                 | 2022/23          | 2021/22  |         |
|---------------------------------|------------------|----------|---------|
| Personal allowance              | £12,570          | £12,570  |         |
| Personal allowance income limit | £100,000         | £100,000 |         |
| Marriage allowance              | £1,260           | £1,260   |         |
| Married couple's allowance      | £9,415           | £9,125   |         |
|                                 | - minimum amount | £3,640   | £3,530  |
|                                 | - income limit   | £31,400  | £30,400 |
| Blind person's allowance        | £2,600           | £2,520   |         |

# Individual Savings Accounts

|                                 | 2022/23 | 2021/22 |
|---------------------------------|---------|---------|
| Overall investment limit        | £20,000 | £20,000 |
| Junior account investment limit | £9,000  | £9,000  |

## Car, Van and Fuel Benefits

| 2022/23                        |             |                       |
|--------------------------------|-------------|-----------------------|
| CO <sub>2</sub> emissions g/km |             | % of list price taxed |
| 0                              |             | 2                     |
| 1 - 50                         |             |                       |
| Electric range                 | 130 or more | 2                     |
|                                | 70 - 129    | 5                     |
|                                | 40 - 69     | 8                     |
|                                | 30 - 39     | 12                    |
|                                | under 30    | 14                    |
| 51 - 54                        |             | 15                    |
| For every extra 5              |             | +1                    |
| 160 and above                  |             | 37                    |

For fully diesel cars generally add a 4% supplement (unless the car is registered on or after 1 September 2017 and meets the Euro 6d emissions standard) but the maximum is still 37%. For emissions of 75g/km or more if the CO<sub>2</sub> figure does not end in a 5 or 0 round down to the nearest 5 or 0.

### 2022/23

|                  |         |
|------------------|---------|
| Car fuel benefit | £25,300 |
| Van benefit      | £3,600  |
| Van fuel benefit | £688    |

## Stamp Duty Land Tax

### Land and buildings in England and N. Ireland

Residential rates may be increased by 3% where further residential properties are acquired.

| Residential Band £  | Rate % | Non-residential Band £ | Rate % |
|---------------------|--------|------------------------|--------|
| 0 - 125,000         | 0      | 0 - 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 Buyer relief may apply to residential purchases up to £500,000.

## National Insurance

### 2022/23 Class 1 (employed) rates

| Employee          |       | Employer          |       |
|-------------------|-------|-------------------|-------|
| Earnings per week | %     | Earnings per week | %     |
| Up to £190*       | Nil   | Up to £175        | Nil   |
| £190.01* - £967   | 13.25 | Over £175         | 15.05 |
| Over £967         | 3.25  |                   |       |

Entitlement to contribution-based benefits for employees retained for earnings between £123 and £190\* per week. The employer rate is 0% for certain military veterans, employees under 21 and apprentices under 25 on earnings up to £967 per week. (\*£242 from 6 July 2022.)

|                                |  |
|--------------------------------|--|
| <b>Class 1A (employers)</b>    | 15.05% on employee taxable benefits  |
| <b>Class 1B (employers)</b>    | 15.05% on PAYE Settlement Agreements   |
| <b>Class 2 (self-employed)</b> | nil on profits between £6,725 and £11,908 plus £3.15 per week where profits over £11,908 |
| <b>Class 3 (voluntary)</b>     | flat rate per week £15.85  |
| <b>Class 4 (self-employed)</b> | 10.25% on profits between £11,908 and £50,270 plus 3.25% on profits over £50,270         |

## Capital Gains Tax

| Individuals            | 2022/23 | 2021/22 |
|------------------------|---------|---------|
| Exemption              | £12,300 | £12,300 |
| Standard rate          | 10%     | 10%     |
| Higher/additional rate | 20%     | 20%     |
| Trusts                 |         |         |
| Exemption              | £6,150  | £6,150  |
| Rate                   | 20%     | 20%     |

Higher rates (18/28%) may apply to the disposal of certain residential property and carried interest.

### Business Asset Disposal Relief

The first £1m of qualifying gains are charged at 10%.

## Inheritance Tax

| Death rate | Lifetime rate | Chargeable transfers<br>2022/23 and 2021/22 |
|------------|---------------|---|
| Nil        | Nil           | 0 - £325,000 (nil rate band)                |
| 40%        | 20%           | Over £325,000                               |

A further nil rate band of £175,000 may be available in relation to current or former residences.

## Selected Rates

|   | 2022/23 | 2021/22 |
|---|---------|---------|
| <b>Weekly benefit</b>   | £       | £       |
| <b>Basic State Pension</b>  | 185.15  | 179.60  |
| <b>Old State Pension</b>  | 141.85  | 137.60  |
| <b>Statutory pay standard rates - average weekly earnings £123 (£120) or over</b> |         |         |
| Sick Pay  | 99.35   | 96.35   |
| Maternity/Adoption Pay  | 156.66  | 151.97  |
| Shared Parental Pay   | 156.66  | 151.97  |
| Paternity Pay   | 156.66  | 151.97  |

## National Living Wage and National Minimum Wage

| Age               | NLW   | 21-22 | 18-20 | 16-17 | Apprentices |
|-------------------|-------|-------|-------|-------|-------------|
| From 1 April 2022 | £9.50 | £9.18 | £6.83 | £4.81 | £4.81       |

Applies to apprentices under 19, or 19 and over in the first year of apprenticeship. NLW applies to those aged 23 and over.

## Tax Reliefs for Individuals

### 2022/23 and 2021/22

#### Enterprise Investment Scheme (EIS)

Relief on investments in certain unquoted trading companies up to £1m per annum (£2m for knowledge intensive companies):

- Income tax relief at 30%
  - Capital gains exemption on disposal
- Unlimited amounts of capital gains from the disposal of other assets may be able to be deferred by making an EIS investment.

#### Seed Enterprise Investment Scheme (SEIS)

Relief on investments in certain unquoted trading companies up to £100,000 per annum:

- Income tax relief at 50%
  - Capital gains exemption on disposal
- Capital gains from the disposal of other assets may be exempt up to £50,000 per annum by making an SEIS investment.

#### Venture Capital Trusts (VCTs)

Relief on investments in certain quoted companies up to £200,000 per annum:

- Income tax relief at 30%
  - Capital gains exemption on disposal
- Dividends received from VCTs may be exempt from income tax.

All reliefs subject to detailed conditions being met.



## Corporation Tax

|                 | Rate % |                 | Rate % |
|-----------------|--------|-----------------|--------|
| Year to 31.3.23 | 19     | Year to 31.3.22 | 19     |

Different rates apply for ring-fenced (broadly oil industry) profit.

## Capital Allowances

**Corporation tax super-deduction** on certain plant and machinery until 31 March 2023 **130%**

**First Year Allowance (FYA)** on certain plant, machinery and cars of 0g/km **100%**

**Corporation tax FYA** on long-life assets, integral features of buildings, etc. until 31 March 2023 **50%**

**Annual Investment Allowance £1,000,000 (£200,000 from 1 April 2023)**

Excludes cars

### Writing Down Allowance

Long-life assets, integral features of buildings, cars over 50g/km **6%**

Other plant and machinery **18%**

**Structures and Buildings Allowance 3%**

## Pensions

|                                 | 2022/23    | 2021/22    |
|---------------------------------|------------|------------|
| Lifetime Allowance limit        | £1,073,100 | £1,073,100 |
| Annual Allowance limit          | £40,000    | £40,000    |
| Money Purchase Annual Allowance | £4,000     | £4,000     |

## Value Added Tax

|                             | From 1.4.22 | From 1.4.21 |
|-----------------------------|-------------|-------------|
| Standard rate               | 20%         | 20%         |
| Reduced rate                | 5%          | 5%*         |
| Annual Registration Limit   | £85,000     | £85,000     |
| Annual Deregistration Limit | £83,000     | £83,000     |

\*12.5% for hospitality and tourism from 1 October 2021 - 31 March 2022.

Disclaimer: Rates are for guidance only. No responsibility for loss occasioned by any person acting/refraining from action as a result of this information can be accepted by the authors or firm.