

2022/23 Personal Taxes

Income tax			NI Contributions			Capital Gains Tax			Inheritance Tax			
2022/23		2021/22	2022/23			2022/23		2021/22				
Starting rate for savings only income 0%	£5,000	£5,000	Class 1 Employer			Individual Exemption	£12,300	£12,300	Exempt transfers:			
Dividend allowance 0%	£2,000	£2,000	Weekly earnings	% of all earnings		Chattels Exemption	£6,000	£6,000	Gifts to UK domiciled spouse			
Basic rate 20% (8.75% for dividends)	£37,700	£37,700	£0 - £123	NIL		Trusts exemption	£6,150	£6,150	Gifts to charity			
Higher rate 40% (33.75% for dividends)	£37,701-£150,000	£37,701-£150,000	£124 - £175	0.00%		Transfers between husband and wife living together are exempt.			Overseas domiciled spouse up to £325,000			
Additional rate 45% (39.35% for dividends)	£150,000+	£150,001+	£176 - £967	15.05%		Main Rate	20%^	20%^	Annual exemption £3,000			
			Over £967	15.05%		Basic Rate	10%^	10%^	Small gifts £250			
Personal savings allowance - 0% for basic rate tax payers on £1,000, £500 for higher rate tax payers			Employee			Entrepreneurs Rate*	10%	10%	Wedding gifts - £5,000 child, £2,500 grandchild or remoter issue, £1,000 other			
			Weekly earnings	% of all earnings		* Available on first £1million of eligible gains in lifetime where disposal is post 11th March 2020				Non UK assets held by a non domiciled individual		
			£0 - £123	NIL		^Does not apply to residential property which is 28% and 18%				Nil rate band: £325,000 (21/22 £325,000)		
			Until July 22 / Post July 22	£124-£190/ £124-£242	0%					Rate of tax at death 40%*		
			Until July 22/ Post July 22	£191-£967/ £243-£967	13.25%					*36% where 10% of estate left to charity		
			Over £967	3.25%						Residence Nil Rate band £175,000		
Personal Allowances			The above rates apply to those not contracted out of S2P.							Lifetime tax rate 20%		
2022/23		2021/22				Pensions						
Everyone	£12,570	£12,570*	Class 1A Employer 15.05%			Annual allowance	100% of net relevant earnings or £3,600 if higher					
No longer any age related additional allowances			Class 2* S/Employed £3.15 pw			Capped at	2022/23	2021/22				
			Class 3 Voluntary £15.85 pw				£40,000	£40,000				
* Reduced by £1 for every £2 above income limit, where income exceeds £100,000			Class 4 S/Employed			Note:	Ability to utilise unused annual allowances of up to £40,000 for 2022, 2021 and 2020 if member of defined benefit or contribution scheme in previous 3 years. Amount is tapered if adjusted annual income exceeds £240,000. Money purchase annual allowance (if in drawdown) £4,000					
How should I draw money from my limited company?			£0-£11,908 0%			Lifetime limit	£1,073,100					
5 Steps for an effective tax planning strategy			£11,909 - £50,270 10.25%			Amounts exceeding lifetime limit taxed at 55% if extracted as a lump sum, or 25% if not						
			Over £50,270 3.25%									
			* Payable on net earnings over £11,908 (21/22 £6,515)									

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[How to spare your loved ones an Inheritance tax bill article](#)

2022/23 Business Taxes

Corporation Tax

Year commencing	1st April 2022	1st April 2021
	19%	19%

Value Added Tax

Standard Rate	20.00%
From 1st April 2022	
VAT fraction	1/6
From 1st April 2022	
Turnover registration limit	£85,000
Turnover deregistration limit	£83,000
Cash/annual accounting registration limit	£1.35m excl. VAT
Cash/annual accounting deregistrat	£1.6m excl. VAT
Flat rate scheme income registration limit	£150,000 excl. VAT
Flat rate scheme income deregistration limit	£230,000 incl. VAT
VAT Scale Charge: Now based upon the CO2 Emissions of the vehicle concerned	
Should you be VAT registered?	

Mileage Allowances

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

2022/23	First 10,000	10,000+ miles
Car & Van	45p	25p
Motorcycle	24p	24p
Bicycle	20p	20p

Notes:
1 Payments in excess of approved rates are taxable
2 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 £24,600

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

Van benefit: £3,500 if there is any private use. Travel between home and work is not considered private use

Van fuel benefit: £669

Main Capital Allowances

Motor Cars (based on CO₂ emissions)
 0g/km CO₂: 100% FYA only if purchased new
 Less than 50g/km CO₂ - 18%;
 51g/km CO₂ or more- 6% rb;

Plant & Machinery * - 18% rb
Computer Equipment * - 18% of rb
Integral features - 6% rb
Goodwill - 4% on certain unconnected party transactions only

Structures and Buildings Allowance (SBA) - 3% sl

* Annual Investment Allowance- 100% allowance on certain capital expenditure up to £200,000 from January 2016, increasing to £1mill from 1st January 2019 back to £200K from 1st April 2023

rb = reducing balance sl=straight line basis

Super deduction (Ltd only) - Main rate 130%. New special rate 50%

New zero emission goods vehicles, new electric charge point equipment - 100%

[Is buying a company car worth it?](#)

**The one thing which hasn't changed
this tax year is Research &
Development (R&D) tax credits.**

R&D Tax Credits can transform your business if you have created or improved a product, process or service, by rewarding innovation and refuelling growth. So why aren't you making a claim?

You have nothing to lose in finding out if you are eligible or making a claim (we offer no win, no fee) Book your free discovery session with one of our advisers by calling **01474 853 856** or emailing discovery@a4g-llp.co.uk

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