

2026/27 Business Taxes

Corporation Tax

Profits	1st April 2026	1st April 2025
£0 - £50,000	19.0%	19.0%
£50,001 - £250,000	26.5%	26.5%
£250,001 +	25.0%	25.0%

Where an owner or director of the company has affiliations with other "Associated" companies the bandings above are divided between the number of associated companies

Value Added Tax

Standard Rate	
From 1st April 2026	20.00%
VAT fraction	
From 1st April 2026	1/6
Turnover registration limit	£90,000
Turnover deregistration limit	£88,000
Cash/annual accounting registration limit	£1.35m excl. VAT
Cash/annual accounting deregistration limit	£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:

2026/27	First 10,000 Miles	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 £29,200

* Percentage used will be dependent on the level of CO₂ vehicle emissions

Van benefit: £4.170 if there is any private use. Travel between home and work is not considered private use

Van fuel benefit: £798

Main Capital Allowances

Motor Cars (based on CO₂ emissions)

0g/km CO₂: 100% FYA only if purchased new & unused

Less than 50g/km CO₂ - 14% rb;

51g/km CO₂ or more- 6% rb;

Plant & Machinery * - 14% rb ~

Computer Equipment * - 14% 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 £1mill from 1st January 2019 onwards

rb = reducing balance sl=straight line basis

~Full Expensing rate on P&M - 100% FYA. Full Expensing special rate 50% FYA

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

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

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from where it is
now to *where you
want it to be.***

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Information correct as at time of preparation 03 March 2026 subject to change

Stamp Duty Land Tax

Residential Properties where you are NOT a first time buyer **

SDLT is charged at the following rates for each portion of the purchase

Property purchase price	SDLT rate from 1 April 2026
Up to £125,000	0%
The next £125,000 (the portion from £125,001 to £250,000)	2%
The next £675,000 (the portion from £250,001 to £925,000)	5%
The next £575,000 (the portion from £925,001 to £1.5 million)	10%
The remaining amount (the portion above £1.5 million)	12%

NOTE - add 5% (3% until 31st March 2025) to the above rates where it is an additional property unless consideration is below £40,000

SDLT is charged at a flat rate of 17% (15% before 31st Oct 2024) on residential properties costing more than £500,000 purchased by certain corporate bodies

**First time buyers (including those with shared ownership from 22nd Nov 2017) pay 0% on the first £300,000 (previously £425,000), 5% between £300,001 and £500,000 (previously £625,000). Property worth more than this is subject to normal SDLT rates above

Non- UK residents subject to a 2% surcharge in addition to any rates detailed above

Non-Residential or Mixed Use Property

SDLT is charged at the following rates for each portion of the purchase price.

Property purchase price	SDLT rate
Up to £150,000	0%

The next £100,000 (the portion from £150,001 to £250,000)	2%
Above £250,000	5%

Leases

SDLT is charged at the following rates for each portion of the purchase price.

Net Present Value (NPV) of the lease	SDLT rate from 1 April 2025
Up to 125,000 (previously £250,000)	0%
£125,001 and above	1%

Annual Tax on Enveloped Dwellings (ATED)

ATED may be payable annually on UK residential properties owned partly or wholly by certain corporate bodies, at the following rates:

Property value	1st April 2026 to 31st March 2027	1st April 2025 to 31st March 2026
Less than £500,000	0	0
£500,000 to £1 million	£4,600	£4,450
Between £1 million and £2 million	£9,450	£9,150
Between £2 million and £5 million	£32,200	£31,050
Between £5 million and £10 million	£75,450	£72,700
Between £10 million and £20 million	£151,450	£145,950
More than £20 million	£303,450	£292,350