

Tax Tables

2025/26

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Income Tax rates and taxable bands

Tax category	Rate	2025/26	2024/25
Basic rate	20%	£0 - £37,700	£0 - £37,700
Higher rate	40%	£37,701 - £125,140	£37,701 - £125,140
Additional rate	45%	Over £125,140	Over £125,140

Savings income	2025/26
Starting rate	£5,000 unless taxable non-savings income exceeds £17,570
Saving allowance basic rate	£1,000
Saving allowance higher rate	£500

Dividend income	2025/26	2024/25
Allowance	£500	£500
Ordinary rate	8.75%	8.75%
Upper rate	33.75%	33.75%
Additional rate	39.35%	39.35%

Income Tax – Summary of allowances and reliefs

Personal allowance	2025/26	2024/25
Personal allowance*	£12,570	£12,570
Income limit for personal allowance	£100,000	£100,000
Marriage allowance	£1,260	£1,260
Married couple's allowance**	£11,270	£11,080
Trading income allowance	£1,000	£1,000
Property income allowance	£1,000	£1,000
Blind person's allowance	£3,130	£3,070

*Personal allowances for individuals with taxable income in excess of £100,000 are reduced by £1 for every £2 of taxable income over £100,000. The government has announced that the personal allowance will be frozen at £12,570 until 2028. From then, it will be lifted in line with inflation.

**Available where elder spouse born before 6 April 1935 only.

Capital Gains Tax

Individuals	2025/26	2024/25*	Trusts	2025/26	2024/25
Exemption	£3,000	£3,000	Exemption	£1,500	£1,500
Standard Rate	18%	18%	Rate	24%	24%
Higher Rate	24%	24%			

*From 30 October 2024.

Business Asset Disposal Relief

For the first £1,000,000 of qualifying lifetime gains a Capital Gains Tax rate of 14% will apply in 2025/26 and 18% from 2026/27.

Inheritance Tax

2025/26	
Rate (for estates)	40%
Reduced rate (for estates leaving 10% or more to charity)	36%
Rate (for chargeable lifetime transfers)	20%
Nil-rate band limit	£325,000
Residential nil rate band*	£175,000

*The Residential nil rate band is available on top of existing nil rate bands. Both allowances are transferable to a surviving spouse, enabling a property of up to £1,000,000 in value to be transferred free of inheritance tax. The residential nil rate band will not apply in full if the total value of the estate exceeds £2,000,000. The nil-rate band, residential nil-rate band and residential nil-rate taper are fixed until 5 April 2030.

Lifetime transfers

No inheritance tax is chargeable on lifetime transfers. Gifts on or within seven years of death will be liable to tax at rates applicable at death subject to reduction as follows:-

Years between gift and death	Taper relief percentage
0-3	0%
3-4	20%
4-5	40%
5-6	60%
6-7	80%

Inheritance Tax – Reliefs

Most transfers between spouses		Gifts for weddings or civil partnerships:	
Gifts to Charities		Child	£5,000
Annual Exemption up to	£3,000	Grandchild or great-grandchild	£2,500
Small gifts up to	£250	Any other person	£1,000
Agricultural Property Relief*	100% on gifts of agricultural land and buildings. 50% for certain tenanted land		
Business Property Relief*	100% for businesses and privately held shares. 50% for land, building or machinery used in a partnership business or held in a trust		

*Until 6 April 2026, when 100% relief will be maintained for the first £1m of combined agricultural and business property, and 50% relief on the value in excess of this.

Value Added Tax

Tax category	From 01/04/2025	From 01/04/2024
Standard rate	20%	20%
Reduced rate	5%	5%
Annual registration limit	£90,000	£90,000
De-registration threshold	£88,000	£88,000

Corporation Tax

Tax category	Year to 31/03/2026	Year to 31/03/2025
Main rate*	25%*	25%

*A lower rate of 19% applies where profits are below £50,000. Companies with profits between £50,000 and £250,000 will be taxed at the main rate reduced by a marginal relief.

Capital Allowances

	Year to 31/03/2025
Fully expensing deduction on certain plant and machinery from profits before tax	100%
First year allowance on certain plant, machinery and cars of 0g/km	100%
First year allowance on long-life assets, integral features of buildings etc	50%
Annual investment allowance excluding cars	£1 million
Structures and buildings allowance	3%
Writing down allowances:	
Long life assets, integral features of buildings, cars over 50g/km	6%
Other plant and machinery	18%

Furnished Holiday Lettings

The Furnished Holiday Lettings tax regime will be abolished from April 2025.

Stamp Duty Land Tax for land and buildings in England and Northern Ireland

From the 31 October 2024, the Higher Rate for Additional Dwellings (HRAD) of SDLT will increase from 3% to 5%.

Residential band	Rate	Non-residential band	Rate
Up to £125,000	0%	Up to £150,000	0%
£125,001 to £250,000	2%	£150,001 - £250,000	2%
£250,001 - £925,000	5%	Over £250,001	5%
£925,001 - £1,500,000	10%		
Over £1,500,001	12%		

Until 31 March 2025 first time buyers relief is available at 0% for the first £425,000 of residential purchases up to £625,000. From 1 April 2025 first time buyers relief is available at 0% for the first £300,000 of residential purchases up to £500,000.

Annual Tax on Enveloped Dwellings (ATED)

ATED is payable by companies, including partnerships where one of the partners is a company, owning UK residential dwellings individually valued in excess of £500,000.

The amount of ATED payable depends on the value of the property interest. For the current tax year the charges are as follows:

Value of dwellings	Annual Tax 2025/26	Annual Tax 2024/25
£500,000 - £1 million	£4,450	£4,400
£1 million - £2 million	£9,150	£9,000
£2 million - £5 million	£31,050	£30,550
£5 million - £10 million	£72,700	£71,500
£10 million - £20 million	£145,950	£143,550
More than £20 million	£292,350	£287,500

An annual ATED return must be submitted and the charge paid by 30 April each year. Relief from ATED is available where the property is used for business purposes including investment, development and trading. Relief must be claimed via the ATED return.

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