Inheritance Tax

	2026/27	2025/26
Nil rate band (NRB)*	£325,000	£325,000
NRB Residential enhancement (RNRB)†*	175,000	175,000
Tax rate on death**	40%	40%
Tax rate on lifetime transfers to most trusts	20%	20%

*Up to 100% of the proportion of a deceased spouse's/civil partner's unused NRB and RNRB band may be claimed to increment the current NRB and RNRB when the survivor dies.

†RNRB is available for transfers on death of a main residence to (broadly) direct descendants. It tapers away at the rate of £1 for every £2 of estate value above £2m.

**Rate reduced to 36% if at least 10% of the relevant estate is left to charity.

Unlimited exemption for transfers between spouses/civil partners, except if transferor is a 'long-term resident' and transferee is not; maximum exemption is then £325,000.

100% Business Property Relief (BPR) for all shareholdings in qualifying unquoted trading companies, qualifying unincorporated trading businesses and certain farmland/buildings , up to a maximum value of £2.5 million (2025/26: unlimited); 50% relief available thereafter.

Reduced tax charge on gifts within 7 years before death

Years before death	0-3	3-4	4-5	5-6	6-7
% of full death tax charge payable	100	80	60	40	20

Annual exemptions for lifetime gifts include £3,000 per donor and £250 per recipient.

Key dates and deadlines

Payment dates

Self assessment		2026/27	2025/26
1st payment on account	31 January	2027	2026
2nd payment on account	31 July	2027	2026
Balancing payment	31 January	2028	2027
Capital Gains Tax*	31 January	2028	2027
Other payment dates			
Class 1A NIC	19 July	2027	2026
Class 1B NIC	19 October	2027	2026

Corporation tax is due 9 months and 1 day from the end of the accounting period, unless a 'large' company paying by quarterly instalments.

2025/26 Filing deadlines

Issue P60s to employees	31 May	2026
P11D, P11D(b)	6 July	2026
Self Assessment Tax Return (SATR) paper version	31 October	2026
Online SATR if outstanding tax to be included in 2027/28 PAYE code (if under £3,000)	30 December	2026
Online SATR	31 January	2027

*A CGT return is due within 60 days of completion of sale of any UK land and buildings by a non-resident and of sale of UK residential property with a tax liability by a UK resident. Any CGT payable is also due within 60 days.

National Minimum Wage

Rate per hour	From 1.04.26	From 1.04.25
Aged 21 and over (National Living Wage)	£12.71	£12.21
Aged 18 – 20	10.85	10.00
Aged 16 – 17	8.00	7.55
Apprentices	8.00	7.55

You are advised to consult us before acting on any information contained herein.

2026/2027 Calendar

April 2026

M	T	W	T	F	S	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

May 2026

M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

June 2026

M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

July 2026

M	T	W	T	F	S	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

August 2026

M	T	W	T	F	S	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

September 2026

M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

October 2026

M	T	W	T	F	S	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

November 2026

M	T	W	T	F	S	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

December 2026

M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

January 2027

M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

February 2027

M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

March 2027

M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Townends - Goole
Carlisle Street, Goole, DN14 5DX
Tel: (01405) 763341
Email: goole@townends.com

Townends - York
Fulford Lodge, 1 Heslington Lane, Fulford,
York, YO10 4HW
Tel: (01904) 687500
Email: york@townends.com

www.townends.com

Townends are a leading practice of Chartered Accountants in York and Goole giving trusted advice to businesses and individuals. Please visit our website for further details - www.townends.com

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Townends Accountants LLP is a limited liability partnership, registered in England and Wales, registered number OC366927.
Registered office: Carlisle Street, Goole, East Yorkshire, DN14 5DX.
A list of members' names is available for inspection at our registered office.
We use the term 'partner' to denote members of Townends Accountants LLP.

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Townends
Chartered Accountants

Tax Card 2026/27

Chartered Accountants | Wealth Management
Payroll Services

Income Tax

Allowances	2026/27	2025/26
Personal Allowance (PA)*	£12,570	£12,570
Marriage Allowance†	1,260	1,260
Blind Person's Allowance	3,250	3,130
Rent-a-room relief**	7,500	7,500
Trading income allowance**	1,000	1,000
Property income allowance**	1,000	1,000

*PA is withdrawn at £1 for every £2 by which 'adjusted income' exceeds £100,000. There is no allowance given above £125,140.
†The part of the PA that is transferable to a spouse or civil partner who is not a higher or additional rate taxpayer.
**If gross income exceeds this, the limit may be deducted instead of actual expenses.

Rate bands	2026/27	2025/26
Basic Rate Band (BRB)	£37,700	£37,700
Higher Rate Band (HRB)	37,701 – 125,140	37,701 – 125,140
Additional rate	over 125,140	over 125,140
Personal Savings Allowance (PSA)		
– Basic rate taxpayer	1,000	1,000
– Higher rate taxpayer	500	500
Dividend Allowance (DA)	500	500

BRB and additional rate threshold are increased by personal pension contributions (up to permitted limit) and Gift Aid donations.

Tax rates

Rates differ for General/Savings/Dividend income	2026/27			2025/26		
	G	S	D	G	S	D
Basic rate %	20	20	10.75	20	20	8.75
Higher rate %	40	40	35.75	40	40	33.75
Additional rate %	45	45	39.35	45	45	39.35

General income (salary, pensions, business profits, rent) usually uses personal allowance, basic rate and higher rate bands before savings income (mainly interest). Scottish taxpayers are taxed at different rates on general income (see below).
Where savings income falls in the first £5,000 of the BRB, it is taxed at nil rather than 20%.
The PSA taxes savings income at nil, where it would otherwise be taxable at 20% or 40%.
Dividends are normally taxed as the 'top slice' of income. The DA taxes the first £500 of dividend income at nil, rather than the rate that would otherwise apply.

Income tax - Scotland		2026/27	2025/26
Starter rate	19%	£3,967	£2,827
Basic rate	20%	3,968 – 16,956	2,828 – 14,921
Intermediate rate	21%	16,957 – 31,092	14,922 – 31,092
Higher rate	42%	31,093 – 62,430	31,093 – 62,430
Advanced rate	45%	62,431 – 125,140	62,431 – 125,140
Top rate	48%	over 125,140	125,140

Savings and dividend income are taxed at normal UK rates.

High Income Child Benefit Charge (HICBC)

1% of child benefit for each £200 of adjusted net income between £60,000 and £80,000.

New UK residents

From 2025/26, those who are in their first 4 years of UK residence, having been non-resident for the previous 10 years, can claim to have most types of foreign income exempt from UK tax for the year. A similar claim is available for foreign capital gains.

In prior years, 'remittance basis' was available for UK residents who were neither UK-domiciled nor deemed domiciled. If claimed, foreign income or gains were only taxable in the UK if remitted here. Remittance basis users with unremitted income or gains can use the Temporary Repatriation Facility in 2025/26 to 2027/28. This allows them to be taxed at a favourable rate (12% or, in 2027/28, 15%) on designated income or gains; otherwise, their unremitted income and gains become taxable at normal rates when remitted to the UK.

Pensions

Registered Pensions	2026/27	2025/26
Annual Allowance (AA)*	£60,000	£60,000

Annual relievable pension inputs are the higher of earnings (capped at AA) or £3,600.
*Usually tapered down, to a minimum of £10,000, when adjusted income exceeds £260,000.
The maximum tax-free pension lump sum is £268,275, unless a higher amount is "protected".

State pension (per week)	2026/27	2025/26
Old state pension	£184.90	£176.45
New state pension	241.30	230.25

Annual investment limits

	2026/27	2025/26
Individual Savings Account (ISA)		
– Overall limit	£20,000	£20,000
– Lifetime ISA	4,000	4,000
Junior ISA	9,000	9,000
EIS – 30% relief	2,000,000	2,000,000
Seed EIS (SEIS) – 50% relief	200,000	200,000
Venture Capital Trust (VCT)		
– 20% (2025/26: 30%) relief	200,000	200,000

National Insurance Contributions (NICs)

Class 1 (Employees)	Employee	Employer
Main NICs rate	8%	15%
No NICs on first	£242pw	£96pw
Main rate charged up to*	£967pw	no limit
2% rate on earnings above	£967pw	N/A
Employment allowance per business**	N/A	£10,500

*Nil rate of employer NICs on earnings up to £967pw for employees aged under 21, apprentices aged under 25 and ex-armed forces personnel in their first twelve months of civilian employment.
**Some businesses do not qualify, including certain sole director companies.
Employer contributions (at 15%) are also due on most taxable benefits (Class 1A) and on tax paid on an employee's behalf under a PAYE settlement agreement (Class 1B).

Class 2 (Self-employed)	
Flat rate per week if profits below £7,105 (voluntary)	£3.65

Class 3 (Voluntary)	
Flat rate per week	£18.40

Class 4 (Self-employed)	
On profits between £12,570 and £50,270	6%
On profits over £50,270	2%

Employees with earnings above £129 per week and the self-employed with annual profits over £7,105 (or who pay voluntary Class 2 contributions) can access entitlement to contributory benefits.

Vehicle benefits

Cars: Taxable benefit: List price of car multiplied by chargeable percentage.

CO_2 g/km	Electric Range miles	2026/27 %	2025/26 %
0	N/A	4	3
1-50	>130	4	3
1-50	70 -129	7	6
1-50	40 - 69	10	9
1-50	30 - 39	14	13
1-50	<30	16	15
51-54	N/A	17	16

Then a further 1% for each 5g/km CO_2 emissions, up to a maximum of 37%.
Diesel cars that are not RDE2 standard suffer a 4% supplement on the above figures but are still capped at 37%.
Certain plug-in hybrid vehicles first registered after 31 December 2024, which have an emissions figure of 51 or more, are deemed to have an emissions figure of 1.

Vans: Chargeable value of £4,170 (2025/26: £4,020) if private use is more than home-to-work. Zero-emission vans charged at £Nil (2025/26: £Nil).

Fuel benefit

Employer provides fuel for private motoring in an employer-owned:
Car: CO_2-based percentage from above table multiplied by £29,200 (2025/26: £28,200).
Van: £798 (2025/26: £769).
Employee contributions do not reduce taxable figure unless all private fuel is paid for by the employee (in which case there is no benefit charge).

Tax-free mileage allowances

Employee's own transport	per business mile
Cars and vans: first 10,000 miles	45p
Cars and vans: over 10,000 miles	25p
Business passengers	5p
Motorcycles	24p
Bicycles	20p

Capital Gains Tax

Annual exempt amount	2026/27	2025/26
Individuals, estates	£3,000	£3,000
Most trusts	1,500	1,500

Tax rate		
Individual up to Basic Rate Limit (BRL)	18%	18%
Individual above BRL, trusts and estates	24%	24%
Business Asset Disposal Relief (BADR)	18%	14%

BADR is available on qualifying gains up to a lifetime limit of £1 million.

Corporation Tax

Year to	31.3.2027	31.3.2026
Main rate (profits above £250,000)	25%	25%
Small profits rate (profits up to £50,000)	19%	19%
Marginal relief band (MRB)	£50k – £250k	£50k – £250k
Fraction in MRB (effective marginal rate)	3/200 (26.5%)	3/200 (26.5%)

Research and development relief

Accounting periods beginning on or after	1.4.2024
R&D Expenditure Credit (RDEC) scheme*	20%
R&D-intensive SMEs enhanced expenditure scheme**	86%

*Taxable expenditure credit for qualifying R&D.
**Additional deduction for qualifying R&D.
R&D-intensive companies are those that have R&D expenditure constituting at least 30% of total tax-deductible P&L expenses plus capitalised R&D costs. Loss-making R&D-intensive companies can claim a payable credit rate of 14.5% from HMRC in exchange for their losses (capped at £20,000 plus 3 x [PAYE & NIC]).

Main capital allowances

Plant and machinery allowances	Year to 31.3.27	Year to 31.3.26
Companies only		
– First-year allowance (main pool)	100%	100%
– First-year allowance (special rate pool)	50%	50%
Annual Investment Allowance (AIA)		
– Expenditure of up to £1m	100%	100%
New electric vans	100%	100%
Writing down allowance: main pool	14%	18%
Writing down allowance: special rate pool	6%	6%

Motor cars purchased	CO_2 (g/km)		
New cars only	Nil	100%	100%
In general pool	up to 50	14%	18%
In special rate pool	above 50	6%	6%

Structures and buildings allowance	
Fixed deduction per annum	3% 3%

For income tax businesses, capital allowance rates are set for periods to 5 April, rather than 31 March.

Property taxes

Annual Tax on Enveloped Dwellings (ATED)

ATED applies to 'high value' residential properties owned via a corporate structure, unless the property is used for a qualifying purpose. The tax applies to properties valued at more than £500,000.

Property value	Annual charge to 31.3.2027	31.3.2026
£0.5m – £1m	£4,600	£4,450
£1m – £2m	9,450	9,150
£2m – £5m	32,200	31,050
£5m – £10m	74,450	72,700
£10m – £20m	151,450	145,950
Over £20m	303,450	292,350

Stamp Duty Land Tax (SDLT), Land and Buildings Transaction Tax (LBTT) and Land Transaction Tax (LTT)

Residential property (1st property only)

SDLT - England & NI £000	Rate	LBTT - Scotland £000	Rate	LTT - Wales £000	Rate
Up to 125	Nil	Up to 145	Nil	Up to 225	Nil
125 – 250	2%	145 – 250	2%	225 – 400	6.0%
250 – 925	5%	250 – 325	5%	400 – 750	7.5%
925 – 1,500	10%	325 – 750	10%	750 – 1,500	10.0%
Over 1,500	12%	Over 750	12%	Over 1,500	12.0%

A surcharge applies for all three taxes where an additional residential property interest is purchased for more than £40,000 (unless replacing a main residence). It is also payable by all corporate purchasers. The rate is 5% (SDLT) and 8% (LBTT) of the total purchase price. LTT has specific higher rates in bandings: up to 180k: 5%, 180 - 250k: 8.5%, 250 - 400k: 10%, 400 - 750k: 12.5%, 750-1,500k: 15%, >1,500k: 17%.
For SDLT:
– First-time buyers purchasing a property of up to £500,000 pay a nil rate on the first £300,000 of the purchase price.
– A 2% supplement applies where the property is bought by certain non-UK residents.
– A rate of 17% may apply to the total purchase price, where the property is valued above £500,000 and purchased by a 'non-natural person' (e.g. a company).
For LBTT, first-time buyer relief increases the nil rate band to £175,000.

Non-residential or mixed use property

SDLT - England & NI £000	Rate	LBTT - Scotland £000	Rate	LTT - Wales £000	Rate
Up to 150	Nil	Up to 150	Nil	Up to 225	Nil
150 – 250	2%	150 – 250	1%	225 – 250	1%
Over 250	5%	Over 250	5%	250 – 1,000	5%
				Over 1,000	6%

Value Added Tax

Standard rate (1/6 of VAT-inclusive price)	20%
Registration level - Taxable turnover	£90,000
Deregistration level - Taxable turnover	88,000

Flat Rate Scheme (FRS)

Annual taxable turnover to enter scheme	Up to £150,000
Must leave scheme if annual gross turnover	Exceeds £230,000

If using FRS, the VAT paid by the business is a fixed percentage (based on business category) of 'FRS turnover' rather than the net of output tax over input tax. Input tax is usually not recoverable.

Cash accounting and Annual accounting schemes

Annual taxable turnover to enter scheme	Up to £1.35m
Must leave scheme if annual taxable turnover	Exceeds £1.60m