

RATES AND ALLOWANCES

Tax tables 2027/28

Income tax, National Insurance, capital taxes,
property and business taxes for 2026/27 and
2027/28, as announced at the Budget on
28 October 2026.

Based on HMRC's rates and allowances for Budget 2026, published on
28 October 2026. Figures for 2027/28 may change before they become law.

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Established 1948

Tax tables: income tax and National Insurance

Rates and allowances for 2026/27 and 2027/28. Figures that change in 2027/28 are shown in bold.

Income tax bands of taxable income

Band	2026/27	2027/28
Basic rate	£1 to £37,700	£1 to £37,700
Higher rate	£37,701 to £125,140	£37,701 to £125,140
Additional rate	Over £125,140	Over £125,140

Income tax rates (basic, higher, additional)

Type of income	2026/27	2027/28
Earnings, pensions, trading and other income	20%, 40%, 45%	20%, 40%, 45%
Property income	20%, 40%, 45%	24%, 44%, 49%
Savings income	20%, 40%, 45%	24%, 44%, 49%
Dividends	10.75%, 35.75%, 39.35%	10.75%, 35.75%, 39.35%
Starting rate for savings, on savings income up to £5,000	0%	0%

Income tax allowances

Allowance	2026/27	2027/28
Personal allowance	£12,570	£12,570
Income above which the personal allowance is withdrawn (£1 for every £2)	£100,000	£100,000
Marriage allowance (transferable)	£1,260	£1,260
Blind person's allowance	£3,250	£3,370
Dividend allowance	£500	£500
Personal savings allowance: basic rate taxpayer	£1,000	£1,000
Personal savings allowance: higher rate taxpayer	£500	£500
Trading allowance	£1,000	£3,000

Class 1 National Insurance thresholds (a week)

Threshold	2026/27	2027/28
Lower earnings limit	£129	£133
Primary threshold (employees)	£242	£242
Secondary threshold (employers)	£96	£96
Upper earnings limit	£967	£967
Upper secondary threshold, employees under 21 and apprentices under 25	£967	£967

Class 1 National Insurance rates

Earnings	2026/27	2027/28
Employee, primary threshold to upper earnings limit	8%	8%
Employee, above upper earnings limit	2%	2%
Employer, above secondary threshold	15%	15%
Employment allowance, per eligible employer a year	£10,500	£10,500

Self-employed and voluntary contributions

Contribution	2026/27	2027/28
Class 4 lower profits limit (a year)	£12,570	£12,570
Class 4 upper profits limit (a year)	£50,270	£50,270
Class 4 rate, between the limits	6%	6%
Class 4 rate, above the upper profits limit	2%	2%
Class 2 small profits threshold (a year)	£7,105	£7,355
Class 2 voluntary rate (a week)	£3.65	£3.80
Class 3 voluntary rate (a week)	£18.40	£19.05

The property income rates for 2027/28 apply in England, Wales and Northern Ireland, although the Scottish and Welsh governments can set their own property income rates, and the savings and dividend rates apply throughout the UK. Scottish taxpayers pay income tax on earnings, pensions and trading profits at rates and bands set by the Scottish Parliament, which are not shown. The trading allowance increase is to be legislated in Finance Bill 2026-27.

Tax tables: capital taxes, property and VAT

Figures that change in 2027/28 are shown in bold.

Capital gains tax

Rate or allowance	2026/27	2027/28
Rate on gains, basic rate taxpayer	18%	18%
Rate on gains, higher and additional rate taxpayer	24%	24%
Rate for trustees and personal representatives	24%	24%
Annual exempt amount: individuals and personal representatives	£3,000	£3,000
Annual exempt amount: most trustees	£1,500	£1,500
Business Asset Disposal Relief: rate	18%	18%
Business Asset Disposal Relief: lifetime limit	£1 million	£500,000
Investors' Relief: rate	18%	18%
Investors' Relief: lifetime limit	£1 million	£1 million
Founders' Relief (proposed): rate	Not available	10%
Founders' Relief (proposed): lifetime limit	Not available	£10 million

Inheritance tax

Rate or allowance	2026/27	2027/28
Nil-rate band	£325,000	£325,000
Residence nil-rate band	£175,000	£175,000
Estate value above which the residence nil-rate band is withdrawn (£1 for every £2)	£2 million	£2 million
Allowance for 100% agricultural and business property relief	£2.5 million	£2.5 million
Rate on death	40%	40%
Rate on death where 10% or more of the estate is left to charity	36%	36%
Rate on chargeable lifetime transfers	20%	20%

VAT

Rate or threshold	2026/27	2027/28
Standard rate, reduced rate	20%, 5%	20%, 5%
Registration threshold	£90,000	£90,000
Deregistration threshold	£88,000	£88,000

Pensions

Allowance	2026/27	2027/28
Annual allowance	£60,000	£60,000
Money purchase annual allowance	£10,000	£10,000
Adjusted income above which the annual allowance is tapered	£260,000	£260,000
Lump sum allowance	£268,275	£268,275
Lump sum and death benefit allowance	£1,073,100	£1,073,100

ISAs and Child Benefit

Limit or rate	2026/27	2027/28
ISA annual subscription limit	£20,000	£20,000
Junior ISA annual subscription limit	£9,000	£9,000
Child Benefit, eldest or only child (a week)	£27.05	£28.00
Child Benefit, each other child (a week)	£17.90	£18.55

Stamp duty land tax, residential (both years)

Portion of the price	Main rate	Additional dwellings
Up to £125,000	0%	5%
£125,001 to £250,000	2%	7%
£250,001 to £925,000	5%	10%
£925,001 to £1.5 million	10%	15%
Over £1.5 million	12%	17%

Stamp duty land tax, other purchases (both years)

Purchase	Rates on each portion of the price
First-time buyers, price up to £500,000	0% up to £300,000, then 5%
Non-residential and mixed-use property	0% up to £150,000, 2% up to £250,000, then 5%

Founders' Relief is subject to a technical consultation that closes on 30 November 2026, and any Business Asset Disposal Relief or Investors' Relief claimed from 6 April 2027 reduces its £10 million limit. The lower Business Asset Disposal Relief limit applies to disposals on or after 6 April 2027. Stamp duty land tax applies in England and Northern Ireland; purchases by certain non-UK residents pay a further 2%. Scotland and Wales have their own land transaction taxes.

Tax tables: businesses and employers

Figures that change in 2027/28 are shown in bold. Corporation tax and business rates follow financial years beginning on 1 April.

Corporation tax

Rate or limit	FY 2026	FY 2027
Main rate, profits over £250,000	25%	25%
Small profits rate, profits up to £50,000	19%	19%
Marginal relief fraction, profits between the limits	3/200	3/200

Capital allowances and R&D

Allowance or relief	2026/27	2027/28
Annual Investment Allowance	£1 million	£1 million
Full expensing, companies, new main-rate plant	100%	100%
Main-rate first-year allowance	40%, 50% from 1 Jan 2027	50%
Special-rate first-year allowance, companies	50%	50%
Writing-down allowance, main pool	14%	12%
Writing-down allowance, special-rate pool	6%	6%
Structures and buildings allowance	3%	3%
R&D expenditure credit	20%	20%
R&D intensive support: payable credit rate	14.5%	14.5%

Business rates multipliers, England (pence per £)

Multiplier	2026/27	2027/28
Small business, rateable value under £51,000	43.2p	44.7p
Standard, £51,000 to £499,999	48p	49.7p
Retail, hospitality and leisure, under £51,000	38.2p	39.7p
Retail, hospitality and leisure, £51,000 to £499,999	43p	44.7p
High-value, £500,000 and above	50.8p	52.5p

Minimum wage (an hour, from 1 April)

Age	2026/27	2027/28
National Living Wage, 21 and over	£12.71	£13.21
18 to 20	£10.85	£11.27
16 and 17, and apprentices	£8.00	£8.31

Tax-free mileage rates, own car or van

Business miles in the tax year	2026/27	2027/28
First 10,000 miles	55p	55p
Above 10,000 miles	25p	35p

Company cars: percentage of list price taxed

CO ₂ emissions (g/km) and electric range	2026/27	2027/28
0 (fully electric)	4%	5%
1 to 50, range over 130 miles	4%	5%
1 to 50, range 70 to 129 miles	7%	8%
1 to 50, range 40 to 69 miles	11%	12%
1 to 50, range 30 to 39 miles	13%	14%
1 to 50, range under 30 miles	15%	16%
51 to 54	16%	17%
55 to 59	17%	18%
60 to 64	18%	19%
65 to 69	19%	20%
70 to 79	20%	20%
80 and above: 21% at 80 to 84, rising by one point for each 5 g/km	Up to 37%	Up to 37%

Vans and fuel benefit (a year)

Charge	2026/27	2027/28
Van benefit charge	£4,170	£4,310
Van fuel benefit charge	£798	£825
Car fuel benefit multiplier (applied to the company car percentage)	£29,200	£30,200

For diesel cars that do not meet the RDE2 emissions standard, 4 percentage points are added to the company car percentage, subject to the 37% maximum. The higher first-year allowance applies to expenditure incurred on or after 1 January 2027; the lower main-pool writing-down allowance applies from 1 April 2027 for companies and 6 April 2027 for income tax. The mileage rates apply to employees and the self-employed. Retail, hospitality and leisure premises in England with a rateable value up to £18,000 are to receive full small business rates relief from 1 April 2027, tapering to nil at £21,000.

Important notice

These tables summarise selected UK tax rates and allowances for the tax years 2026/27 and 2027/28. The figures for 2027/28 are those announced at the Budget on 28 October 2026 and published by HMRC on the same day. Many of them still require legislation in Finance Bill 2026-27, and Founders' Relief remains subject to consultation, so they may change before they take effect. The tables do not cover every tax, rate or relief, and the conditions and exceptions that apply to each figure are not shown.

The tables are not advice on any individual's or business's circumstances. Advice should be taken before acting, or refraining from acting, on anything in them, and Jack Ross Chartered Accountants accepts no responsibility for any loss arising from action taken or not taken in reliance on them. The information is stated as at 29 October 2026.

Sources

HMRC, Budget 2026: overview of tax legislation and rates, Annex A: rates and allowances (28 October 2026), for all figures except those listed below.

HM Treasury, Budget 2026 (HC 726, 28 October 2026): paragraph 6.128 (minimum wage from 1 April 2027), paragraphs 3.14 and 6.213 (mileage rates), paragraphs 6.189 to 6.195 (small business rates relief), paragraph 6.251 (first-year and writing-down allowances) and paragraph 6.254 (trading allowance).

HMRC, Budget 2026: overview of tax legislation and rates, paragraph 2.6, for the 2027/28 van and fuel benefit charges, and **HMRC, Van benefit charge and fuel benefit charges for cars and vans for tax year 2026 to 2027** (3 December 2025), for the 2026/27 charges.

GOV.UK, National Minimum Wage and National Living Wage rates, for the rates from 1 April 2026.

CONTACT

Applying these figures to your circumstances

Please contact your usual Jack Ross partner, or call us on 0161 832 4451, to discuss how any of these rates and allowances apply to you or your business.



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