

## Capital Gains Tax (CGT)

- The annual CGT exemption for 2022-23 is £12,300
- For individuals the flat rate of CGT that applies to gains in excess of the annual exemption is 10% up to the higher rate tax threshold
- Chargeable gains in excess of the higher rate threshold: 20%
- £6,150 CGT exemption for trusts, 20% rate applies thereafter
- Additional 8% for residential property (where applicable)
- Lifetime Allowance on gains eligible for Entrepreneurs' Relief is £1m
- 60 days to pay CGT in respect of residential property (buy-to-let) disposals.

## Tax-free savings for individuals

- Overall ISA limit £20,000
- Junior ISA allowance £9,000
- Lifetime ISA £4,000.

## Some tax relief options for individuals

### Venture Capital Trusts (VCTs)

- Relief on investments in certain quoted companies up to £200,000 per annum
- Income Tax relief at 30%, provided shares held at least five years
- Capital Gains Tax exemption on disposal (only if Income Tax relief received)
- Dividends received from VCTs may be exempt from Income Tax.

### Enterprise Investment Schemes (EIS)

- Relief on investments in certain unquoted trading companies up to £1m per annum (or £2m as long as at least £1m of this is invested in knowledge intensive companies)
- Income Tax relief at 30%
- Capital Gains Tax exemption on disposal
- Can be left to beneficiaries free of IHT, provided held for at least 2 years at time of death
- Unlimited amounts of capital gains from the disposal of other assets may be able to be deferred by making an EIS investment.

## Corporation Tax

- The Corporation Tax for company profits is currently 19%, increasing to 25% from 1 April 2023
- A Small Profits Rate of 19% for the financial year beginning 1 April 2023 continues to apply for companies with profits of £50,000 or less
- Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective Corporation Tax rate.

## Inheritance Tax (IHT)

- The nil-rate IHT band is £325,000, with 40% IHT normally payable above this threshold
- A lower rate of IHT (36%) applies if you leave 10% of your net assets to charity
- Residence nil-rate band of £175,000 where a residence is passed on death to a direct descendant.







The proportion of the threshold 'unused' on the first death of husband or wife (or civil partners) is effectively transferable to the surviving partner and serves to increase his or her threshold by a corresponding percentage.

Chargeable lifetime transfers and potentially exempt transfers attract taper relief on tax payable on the gift, if made up to seven years before death on the amount of gift over the nil-rate band.

### Certain gifts are IHT-free however soon death occurs, including:

- Gifts between UK domiciled husband and wife or between civil partners
- Total gifts up to £3,000 in a year (can be carried forward one year)
- Small gifts to other recipients (up to £250 per recipient in year)
- Gifts in consideration of marriage or civil partnership ranging from £5,000 from each parent of the couple, to £1,000 from anyone else.

## Self Assessment dates

	<b>31 Jan</b> 2022	Deadline for filing 2020-21 returns, balancing payment due for 2020-21, first payment due for 2021-22
	<b>31 Jul</b> 2022	Second payment on account for 2021-22 due to HMRC
	<b>05 Oct</b> 2022	Deadline to notify chargeability and advise HMRC of need to register for Self Assessment
	<b>31 Oct</b> 2022	Deadline for submitting paper Self Assessment returns to HMRC
	<b>30 Dec</b> 2022	Deadline for filing online return with HMRC if tax is to be collected through PAYE
	<b>31 Jan</b> 2023	Deadline for filing 2021-22 returns, balancing payment due for 2021-22, first payment due for 2022-23

**Bonum Wealth Ltd**, Regent House,  
113 West Regent Street, Glasgow G2 2RU  
**T: 0141 221 6398**  
**E: support@bonumwealth.co.uk**  
**W: bonumwealth.co.uk**

## Taxation at your fingertips

- IHT nil-rate band remains at £325,000 and the residence nil-rate band at £175,000, until April 2026
- CGT annual exemption remains at £12,300 for individuals and £6,150 for most trusts
- Lifetime Allowance for pensions remains at £1,073,100 until April 2026, the Annual Allowance remains at £40,000
- New single-tier State Pension increased to £185.15 per week in April 2022, the older basic State Pension increased to £141.85 per week
- ISA allowance remains at £20,000 for the 2022-23 tax year / JISA allowance and CTF annual subscription limit remain at £9,000 for the 2022-23 tax year
- An increase in the National Insurance Primary Threshold and the Lower Profits Limit from £9,880 to £12,570 from July 2022.

## Tax on residential property purchase

Stamp Duty Land Tax (SDLT) in England and Northern Ireland; Land and Buildings Transaction Tax (LBTT) in Scotland; Land Transaction Tax (LTT) in Wales

Residential property (first property only):

LBTT - Scotland	Rate
£0 – £145,000	0%
£145,001 – £250,000	2%
£250,001 – £325,000	5%
£325,001 – £750,000	10%
£750,001+	12%

- A LBTT supplement of 4% is charged on the purchase of additional residential properties above £40,000, such as buy to let and second homes
- The supplement will be applied to the whole purchase price not just the proportion above £40,000
- For first time buyers the 0% band is £175,000.

## Personal Allowances

	2022-23
Personal Allowance	£12,570
Personal Savings Allowance (basic rate taxpayer)	£1,000
Personal Savings Allowance (higher rate taxpayer)	£500
Rent-a-room tax-free income	£7,500
Dividend Allowance	£2,000

- The Personal Allowance for those with adjusted net income over £100,000 reduces by £1 for every £2 of income
- Interest on savings is tax-free to a threshold of £1,000 for basic rate taxpayers and £500 for those who pay higher rate tax; the Personal Savings Allowance is not available to additional rate taxpayers earning above £150,000
- Married Couple's Allowance is given at 10%, claimants must be born before 6 April 1935; tax relief applies to the first £9,415
- Marriage Allowance: spouses or civil partners are able to transfer £1,260 of their unused Personal Allowance to their partner; this is available provided neither partner pays tax at the higher rate and is not available if the couple are in receipt of Married Couple's Allowance.

## Income Tax rates

The following allowances and rates will apply in 2022-23 for Scotland

Rate of tax		2022-23
Starter rate	19%	£0 – £2,162
Basic rate	20%	£2,163 – £13,118
Intermediate rate	21%	£13,119 – £31,092
Higher rate	41%	£31,093 – £150,000
Top rate	46%	Over £150,000
Basic rate on dividends	8.75%	Over the £2,000 Dividend Allowance
Higher rate on dividends	33.75%	
Additional rate on dividends	39.35%	

- Income Tax is paid on the amount of taxable income remaining after allowances have been deducted
- Dividend tax increased by 1.25 percentage points from April 2022.

## National Insurance

- Most National Insurance contributions (except for certain employee categories and Class 2 self-employed) and Dividend Tax rates increased by 1.25 percentage points from April 2022
- Announced in the Spring Statement 2022 – an increase to the Primary Threshold for Class 1 NICs and the Lower Profits Limit for Class 4 NICs from July 2022 from £9,880 p.a. to £12,570 p.a.
- The Upper Earnings Limit for 2022-23 is £967 per week
- From April – self-employed individuals with profits between the Small Profits Threshold and Lower Profits Limit will continue to build up National Insurance credits but will not pay any Class 2 NICs
- Employment Allowance of £5,000 is available to businesses and charities to offset against their employer Class 1 NICs
- No employers NICs for employees aged under 21 (and apprentices up to age 25) on earnings up to £967 per week (the Upper Earnings Limit).

## Pension Allowances

- The Annual Allowance for 2022-23 is £40,000. Pension funding exceeding the allowance in a tax year can be offset against any unused Annual Allowance from the previous three tax years
- Individuals with threshold income in excess of £200,000 and adjusted income of more than £240,000 in a tax year will be subject to a tapered Annual Allowance in that tax year. £1 of Annual Allowance is lost for every £2 of adjusted income over £240,000. The minimum reduced tapered Annual Allowance from £10,000 to £4,000
- The standard Lifetime Allowance remains at £1,073,100 until April 2026.

## State Pension entitlement

- A flat rate, single tier State Pension of £185.15 per week is payable from 6 April 2022 (35 qualifying years of National Insurance contributions needed for full rate), available to those reaching state pension age (SPA) on or after 6 April 2016
- For those who reached SPA before 6 April 2016, the basic State Pension of £141.85 applies (30 qualifying years needed for full rate), plus any additional state pension.

## Principal state benefits

Weekly benefits	2022-23
Statutory Sick Pay	£99.35
Statutory Maternity Pay – first 6 weeks	90% of weekly earning
Statutory Maternity Pay – next 33 weeks	£156.66*
Ordinary Statutory Paternity Pay – 2 weeks	£156.66*
Additional Statutory Paternity Pay – variable period	£156.66*

\* or 90% of earnings, if lower

**NOTE:** The information contained in this leaflet is based on our understanding of the Autumn Budget 2021 and Scottish Budget December 2021 proposals, which are subject to change. No action should be taken without further advice being sought. We can accept no responsibility for any errors or omissions.

**Information is based on our current understanding of taxation legislation and regulations. Any levels and bases of, and reliefs from taxation, are subject to change.**

**Tax treatment is based on individual circumstances and may be subject to change in the future.**