

## Capital Gains Tax (CGT)

- The annual CGT exemption for 2024-25 is £3,000
- For individuals the flat rate of CGT that applies to gains in excess of the annual exemption is 10% up to the UK higher rate Income Tax threshold
- Chargeable gains in excess of the UK higher rate Income Tax threshold: 20% for residential property
- £1,500 CGT exemption for trusts, 20% rate applies thereafter, 24% for residential property
- The higher rate of CGT on residential property will be cut from 28% to 24% from April 2024, the lower rate will remain at 18%
- Lifetime Allowance on gains eligible for Business Asset Disposal 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.

The government has published a consultation on a new UK ISA (£5,000 allowance, invested in UK equities).

## 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%, provided shares held for at least three years
- Capital Gains Tax exemption on disposal, provided shares held for at least three years

- 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

- Corporation Tax for company profits up to £50,000 is 19%
- An effective rate of 26.5% is applied to profits between £50,001 and £250,000
- A Corporation Tax rate of 25% applies for companies with over £250,000 in profits.

## 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
- Main residence nil-rate band of up to £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



31 Jul  
2024

Second payment on account for 2023-24 due to HMRC



05 Oct  
2024

Deadline to notify chargeability and advise HMRC of need to register for Self Assessment



31 Oct  
2024

Deadline for submitting paper Self Assessment returns to HMRC



30 Dec  
2024

Deadline for filing online return with HMRC if tax is to be collected through PAYE



31 Jan  
2025

Deadline for filing 2023-24 returns, balancing payment due for 2023-24, first payment due for 2024-25

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## Tax on residential property purchase

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

- Buyers purchasing their first property in Scotland benefit from a first-time buyers relief, which increases the residential nil rate band of LBTT from £145,000 to £175,000
- The LBTT Additional Dwelling Supplement (ADS) on additional residential properties (such as second homes and buy-to-let property) over £40,000 is charged at 6%.

## Personal Allowances

	2024-25
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	£500

- 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
- Married Couple's Allowance is given at 10%, claimants must be born before 6 April 1935; the full allowance is £11,080
- 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 2024-25 for Scotland

Rate of tax		2024-25
Starter rate	19%	£12,571 – £14,876*
Basic rate	20%	£14,877 – £26,561
Intermediate rate	21%	£26,562 – £43,662
Higher rate	42%	£43,663 – £75,000
Advanced rate	45%	£75,001 – £125,140
Top rate	48%	Over £125,140
Basic rate on dividends	8.75%	Over the £500 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
- \*assumes individuals are in receipt of the Standard UK Personal Allowance
- From April 2024, the Dividend Allowance was reduced to £500.

## National Insurance

Class 1 National Insurance contributions (NIC) rates are:

- Employees NIC – 8% (from April 2024), Employers NIC – 13.8%
- There is no NIC on first £242 per week (employee) and £175 per week (employer), then the main rate is charged up to £967 per week (employee), no limit for employer. A 2% rate applied for employees on earnings above £967 per week
- There is nil rate employer NIC on earnings up to £967 per week for employees aged under 21 and apprentices aged under 25.

Class 2 (self-employed) NIC rates are:

- From 6 April 2024, self-employed individuals earning over £6,725 are no longer obligated to make payments for Class 2 NICs, but they will still be eligible for contributory benefits
- Those with profits under £6,725 pay Class 2 NICs voluntarily to access contributory benefits.

Class 3 NIC rate is a voluntary contribution at a flat rate of £17.45 per week.

Class 4 NIC is payable at 6% on self-employed profits from £12,570 to £50,270, over this there is a 2% rate.

## Pension Allowances

Some significant changes took place from April 2023:

- The Annual Allowance (AA) threshold increased to £60,000
- The Money Purchase Annual Allowance (MPAA) and the minimum Tapered Annual Allowance (TAA) increased to £10,000
- The adjusted income threshold for the TAA increased to £260,000
- The Lifetime Allowance and charge have been abolished, replaced by the Lump Sum and Death Benefit Allowance (LSDBA) of £1,073,100 and the Lump Sum Allowance (LSA) of £268,275 from 6 April 2024.

## State Pension entitlement

- A flat rate, single tier State Pension of £221.20 per week is payable from 6 April 2024 (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 £169.50 applies (30 qualifying years needed for full rate), plus any additional state pension.

## Principal state benefits

Weekly benefits	2024-25
Statutory Sick Pay	£116.75
Statutory Maternity Pay – first 6 weeks	90% of weekly earning
Statutory Maternity Pay – next 33 weeks	£184.03*
Ordinary Statutory Paternity Pay – 2 weeks	£184.03*
Additional Statutory Paternity Pay – variable period	£184.03*

\* or 90% of earnings, if lower

### NOTE:

The information contained in this leaflet is based on our understanding of the Scottish Budget 2023, Autumn Statement 2023 and the Spring Budget 2024, 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. Different tax rates may apply in different areas of the UK.**