

CORPORATION TAX

Rates	Year from 1 April	
	2022 %	2021 %
Main rate	19	19

The main rate will increase to 25% from 1 April 2023. A small profits rate will also be introduced from the same date with an initial rate of 19%.

Tax payments

Quarterly payments on account – very large companies and large companies

	Period from start of accounting period	
	Large companies	Very large companies
First	6 months and 14 days	2 months and 14 days
Second	9 months and 14 days	5 months and 14 days
Third	12 months and 14 days	8 months and 14 days
Fourth	15 months and 14 days	11 months and 14 days

Small and medium companies	Period from end of accounting period	
	Due date	9 months and 1 day
Due date		

Growing companies do not have to pay by instalments in the period in which they become large if their profits are less than £10 million.

A large company has profits exceeding £1.5 million. A very large company has profits exceeding £20 million. Adjustments are made to these limits for associated companies.

Tax returns

The filing date is twelve months after the end of the accounting period. Special rules apply for periods of account of longer than twelve months.

CAPITAL ALLOWANCES

First year / Initial allowances

- The following expenditure is eligible for 100% writing down allowance in the first year:
 - Annual Investment Allowance (“AIA”) (note 1)
 - New zero emission cars or goods vehicles
 - Plant and machinery for electric vehicle charging points and gas refuelling stations
 - Plant and machinery for use in freeport tax sites
 - Plant, machinery and buildings (not land) used for the purposes of carrying out research and development.

Super-deductions

- From 1 April 2021 to 31 March 2023 for corporation tax purposes, certain expenditure is eligible for increased relief as follows:
 - Qualifying plant and machinery - 130% first year allowance
 - Qualifying special rate assets - 50% first year allowance

Annual writing down allowances (“WDA”)

Structures and buildings pool	% of cost	
	2022/23	2021/22
	%	%
– non-residential structures and buildings	3	3

Special rate pool	% of reducing balance	
	%	%
	%	%
– Long life assets (life of at least 25 years)	6	6
– Integral features of a building		
– Cars (emissions of 50g/km and above)		
– Thermal insulation		
– Solar panels		

Main rate pool	18	18
– Other plant and machinery		
– Cars (emissions below 50g/km)		
Patents and know-how	25	25

Notes:
(1) The AIA is currently at a temporary amount of £1m, reducing to £200,000 from 1 April 2023.

CAR & FUEL BENEFITS

Company car benefits

The benefit is calculated using a percentage of the list price when new. This percentage is determined as follows:

CO ₂ emissions (g/km)	2022/23		2021/22	
	All cars	Cars registered before 6 April 2020	Cars registered before 6 April 2020	Cars registered from 6 April 2020
	%	%	%	%
0	2	1	1	1
1 - 50 (note 4)	2 - 14	2 - 14	1 - 13	
51 - 74	15 - 19	15 - 19	14 - 18	
75 - 99	20 - 24	20 - 24	19 - 23	
100 and above	Increased by 1% for each 5g/km		Increased by 1% for each 5g/km	

Notes:

- The maximum percentage is 37%
- For diesel cars, the percentage is increased by 4%, still subject to the above maximum. This does not apply to RDE2 standard cars or diesel hybrids
- Different rules apply for vehicles which meet the definition of a company van
- For cars with emissions between 1 and 50 g/km the rate will be determined on the basis of the electric range in miles with lower percentages for those with higher electric ranges.

Fuel benefit scale rates

The benefit is calculated by applying the percentage as determined for car benefits to the fixed amount of £25,300 (2021/22 - £24,600). The fuel benefit scale charge is reduced to nil if the employee is required to, and does, make good the cost of all fuel provided for private use. Employer-provided electricity for use in employees electric or hybrid cars is an exempt benefit.

Authorised annual mileage rates

Tax free mileage allowances are 45p per mile on the first 10,000 miles, and 25p thereafter. For National Insurance purposes the mileage allowance is 45p per mile irrespective of annual mileage.

VALUE ADDED TAX

Rates	%	
Standard	20	
Reduced	5	

Thresholds

	From 1 April 2022	1 April 2021
	£	£
Registration threshold (for supplies in previous 12 months or next 30 days)*	85,000	85,000
Deregistration threshold*	83,000	83,000
Cash accounting scheme	1,350,000	1,350,000
Annual accounting scheme	1,350,000	1,350,000
Flat rate scheme	150,000	150,000
De minimis limits for partial exemption (provided exempt input tax is less than 50% of total input tax)	625 pcm	625 pcm

* Not available to non-established taxable persons.

STAMP DUTY & STAMP DUTY RESERVE TAX

Shares and marketable securities - standard rate	0.5%
- higher rate	1.5%

Transfers of shares or marketable securities traded on recognised growth markets are not subject to stamp taxes. Stamp duty reserve tax does not apply to transfers of holdings in unit trusts or open ended investment companies, except for non pro-rata redemptions in specie.

STAMP DUTY LAND TAX

Stamp Duty Land Tax does not apply in Scotland, which operates a separate Land and Buildings Transaction Tax, or in Wales, which operates a separate Land Transaction Tax.

Residential property

Consideration (incl VAT where applicable)	Within each band
	%
£0 – £125,000	Nil
£125,001 – £250,000	2
£250,001 – £925,000	5
£925,001 – £1,500,000	10
More than £1,500,000	12

The rate of SDLT is increased by 3% for purchases of residential property where the purchaser already owns at least one residential property, or for all purchases by companies and most trusts.

A charge of 15% applies to purchases of residential property by ‘non-natural persons’ (predominantly companies) for consideration in excess of £500,000 subject to certain exclusions.

The rate of SDLT is increased by 2% for all purchases of residential property by non-UK residents, in addition to other SDLT payable.

First-time buyers are exempt from SDLT on the first £300,000 of consideration on properties worth up to £500,000.

Non-residential property

Consideration (incl VAT where applicable)	Within each band
	%
£0 – £150,000	Nil
£150,001 – £250,000	2
More than £250,000	5

Lease rentals (residential and non-residential)

Net present value of lease payments	Within each band
	%
£0 – £125,000*	Nil
£125,001* – £5,000,000	1
More than £5,000,000**	2

* Nil band is £150,000 for non-residential property

** Applies only to non-residential property, otherwise the rate is 1%.

Returns and payments

Stamp duty returns must be filed within 14 days of the effective date of the transaction which is also the due date for payment of any tax.

ANNUAL TAX ON ENVELOPED DWELLINGS

Property Value on the later of 1 April 2017 and acquisition	2022/23	Annual tax 2021/22
	£	£
£500,000 - £1 million	3,800	3,700
£1 million - £2 million	7,700	7,500
£2 million - £5 million	26,050	25,300
£5 million - £10 million	60,900	59,100
£10 million - £20 million	122,250	118,600
Over £20 million	244,750	237,400

The tax for the 2022/23 year is payable by a company or other corporate body owning a high value residential property on 1 April 2022. The return and payment are due by 30 April 2022.

TAX DATES: RETURNS & PAYMENTS

Personal and trust tax returns	By 31 October 2023	
2022/23 paper return	By 31 January 2024	
2022/23 online return		
Tax payments	2022/23	2021/22
First interim income tax payment	31 January 2023	31 January 2022
Second interim income tax payment	31 July 2023	31 July 2022
Final balancing income tax payment	31 January 2024	31 January 2023
Capital gains tax payment	31 January 2024	31 January 2023

Professional advice should be sought before taking any action based on this Budget summary.