

# UK Tax Rates Card 2026/27

The essential UK tax rates, thresholds and allowances for the 2026/27 tax year, gathered on a single page.

Tax year **2026/27** · Reviewed by **Kiran Boparai** · Last reviewed **6 June 2026** · Sources: gov.uk

PERSONAL ALLOWANCE	INCOME TAX RATES	DIVIDEND TAX	CORPORATION TAX	VAT THRESHOLD
<b>£12,570</b>	<b>20% · 40% · 45%</b>	<b>10.75% · 35.75% · 39.35%</b>	<b>19% – 25%</b>	<b>£90,000</b>

## 01 Income Tax (England, Wales & NI)

The main income tax bands for England, Wales and Northern Ireland. Scotland sets its own income tax bands and rates, so the figures below do not apply to Scottish taxpayers.

- Personal allowance — £12,570
- Allowance taper — reduced by £1 for every £2 of income over £100,000
- Allowance fully withdrawn at £125,140
- Basic rate — 20% (up to £37,700)
- Higher rate — 40% (£37,701 to £125,140)
- Additional rate — 45% (over £125,140)
- Personal savings allowance — £1,000 basic / £500 higher / £0 additional

**i** Scottish taxpayers have separate income tax bands and rates.

## 02 Dividends

Dividends are taxed after the dividend allowance and at their own rates, which sit on top of your other income. No National Insurance is due on dividend income.

- Dividend allowance — £500
- Basic rate — 10.75%
- Higher rate — 35.75%
- Additional rate — 39.35%
- No National Insurance on dividends

**i** The dividend allowance is taxed at 0% but still uses up part of your band.

## 03 National Insurance

National Insurance contributions for employees, the self-employed and employers for 2026/27.

- Class 1 (employee) — 8% (£12,570 to £50,270), then 2% above
- Class 4 (self-employed) — 6% (£12,570 to £50,270), then 2% above
- Class 2 — effectively abolished from April 2024 (voluntary £3.65/week)
- Employer (secondary) — 15% over £5,000
- Employment Allowance — £10,500

**i** The Employment Allowance offsets up to £10,500 of an employer's secondary NIC bill.

## 04 Corporation Tax

The rate of corporation tax depends on the level of taxable profits, with marginal relief easing the transition between the two main rates.

- Small-profits rate — 19% (up to £50,000)
- Main rate — 25% (over £250,000)
- Marginal relief — between £50,000 and £250,000
- Marginal relief fraction — 3/200

**i** Profit thresholds are divided between associated companies and shortened periods.

## 05 VAT

Value Added Tax registration thresholds and rates for 2026/27.

- Registration threshold — £90,000
- Deregistration threshold — £88,000
- Standard rate — 20%
- Reduced rate — 5%
- Zero rate — 0%
- Flat Rate Scheme limited-cost trader — 16.5%

**i** You must register once taxable turnover exceeds £90,000 in any rolling 12 months.

## 06 Capital Gains Tax

Capital Gains Tax applies to gains above the annual exempt amount, at rates that vary by asset type and your income tax band.

- Annual exempt amount — £3,000
- Residential property — 18% (basic) / 24% (higher)
- Other assets — 18% (basic) / 24% (higher)
- Business Asset Disposal Relief — 18% (£1m lifetime limit)

- Residential gains — reported and paid within 60 days

**i** Residential property gains must be reported and the tax paid within 60 days of completion.

## 07 Inheritance Tax

Inheritance Tax is charged on estates above the nil-rate bands, with a reduced rate available for charitable estates.

- Nil-rate band — £325,000
- Residence nil-rate band — up to £175,000
- Standard rate — 40%
- Reduced rate — 36% (if 10%+ of net estate left to charity)
- Annual gift exemption — £3,000

**i** The residence nil-rate band can pass the family home to direct descendants more tax-efficiently.

## 08 Allowances & reliefs

A round-up of common allowances and reliefs that can reduce your tax bill for 2026/27.

- Trading allowance — £1,000
- Property allowance — £1,000
- Rent-a-room relief — £7,500
- Marriage allowance transfer — £1,260
- Pension annual allowance — £60,000 (tapered)
- Mileage — 45p/mile first 10,000, then 25p
- ISA allowance — £20,000

**i** Many of these allowances are use-it-or-lose-it within the tax year.

---

## Common questions

### When does the 2026/27 tax year run?

The 2026/27 tax year runs from 6 April 2026 to 5 April 2027.

### Are these rates different in Scotland?

Scotland sets its own income tax bands and rates, so the income tax figures here apply to England, Wales and Northern Ireland only. The other taxes shown — such as VAT, Corporation Tax, Capital Gains Tax and Inheritance Tax — are UK-wide.

### When do these figures change?

Rates and thresholds usually change at the Budget or at the start of a new tax year. Zmartly keeps this card updated as figures are confirmed.

#### NEXT STEP

## Get expert eyes on your tax

Book a free 30-minute Tax Health Check — we review your situation, sense-check the figures and show you where you could save.



Scan to book  
a free call

For guidance only — this factsheet does not constitute professional advice and is not a substitute for advice based on your specific circumstances. Whilst every care has been taken in its preparation, it may contain errors for which we cannot be responsible. Figures are for the 2026/27 UK tax year (England, Wales & Northern Ireland) and may change. Last reviewed 6 June 2026.