



PRESTIGE BUSINESS
MANAGEMENT

Tax Tables 2026/27

Updated for the Budget on 28 October 2026

The main UK tax rates and allowances for 6 April 2026 to 5 April 2027, set out in plain English. Where the Budget changes something from April 2027, you will see it in a **gold row**.

Useful links

Budget 2026 blog	What the Budget means for you
Our website	www.prestigebm.co.uk
Call us	0203 773 2927
Email us	info@prestigebm.co.uk
LinkedIn	Prestige Business Management Ltd
Facebook	facebook.com/UKPrestigeBM
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The full Budget (GOV.UK)	Budget 2026 document

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For general information only. Figures as at 28 October 2026. Please speak to us before acting on anything in this guide.



Budget 2026 at a glance

The changes most likely to affect our clients. Income tax, National Insurance, VAT and Corporation Tax rates are unchanged.

What	Now	Changing to
National Living Wage (21+)	£12.71	£13.20 from 1 April 2027
Minimum wage, 18 to 20	£10.85	£11.27 from 1 April 2027
Tax on property and savings income	20% / 40% / 45%	24% / 44% / 49% from April 2027
Business Asset Disposal Relief lifetime limit	£1,000,000	£500,000 from April 2027
Main pool writing down allowance	14%	12% from April 2027
First-year allowance (main rate)	40%	50%
Mileage over 10,000 business miles	25p	35p
Small Business Rate Relief threshold	£12,000	£18,000

Income tax

England, Wales and Northern Ireland. Scotland sets its own bands for wages, self-employed profits, pensions and rent.

	2026/27	2025/26
Personal allowance (tax-free)	£12,570	£12,570
Basic rate 20%: taxable income up to	£37,700	£37,700
Higher rate 40%: taxable income over	£37,700	£37,700
Additional rate 45%: income over	£125,140	£125,140
Marriage allowance (transfer to partner)	£1,260	£1,260
Trading allowance / property allowance (each)	£1,000	£1,000
Rent-a-room relief	£7,500	£7,500

You lose £1 of personal allowance for every £2 of income over £100,000, so it is gone completely at £125,140. Thresholds are frozen until 2031.

Child Benefit is clawed back at 1% for every £200 of income between £60,000 and £80,000.



Savings interest and dividends

	2026/27	2025/26
Starting rate for savings at 0% (if other income is low)	up to £5,000	up to £5,000
Personal Savings Allowance: basic rate taxpayer	£1,000	£1,000
Personal Savings Allowance: higher rate taxpayer	£500	£500
Personal Savings Allowance: additional rate taxpayer	£0	£0
Dividend allowance (tax-free)	£500	£500
Dividends: basic rate	10.75%	8.75%
Dividends: higher rate	35.75%	33.75%
Dividends: additional rate	39.35%	39.35%

Budget 2026: tax on savings and property income	Basic	Higher	Additional
2026/27 (same as wages)	20%	40%	45%
From April 2027	24%	44%	49%

National Insurance

Rates and thresholds for 2026/27, unchanged by the Budget.

Employees and employers (Class 1)	Employee	Employer
Rate	8%	15%
Starts on weekly earnings over	£242	£96
Employee rate drops to 2% on weekly earnings over	£967	n/a
Employer: no NI up to £967 a week for under-21s, apprentices under 25 and veterans in year one		£967
Employment Allowance (per business, not if the only employee is a director)		£10,500
Class 1A on taxable benefits		15%

Self-employed and voluntary	2026/27
Class 4: profits £12,570 to £50,270	6%
Class 4: profits over £50,270	2%
Class 2 (voluntary): small profits threshold £7,105	£3.65 a week
Class 3 (voluntary, to fill gaps in your record)	£18.40 a week



Minimum wage

Hourly rates. The Budget raises every rate by 3.9% from 1 April 2027.

Age	April 2025	April 2026	April 2027
21 and over (National Living Wage)	£12.21	£12.71	£13.20
18 to 20	£10.00	£10.85	£11.27
16 and 17	£7.55	£8.00	+3.9% (TBC)
Apprentices (under 19, or in first year)	£7.55	£8.00	+3.9% (TBC)

The exact April 2027 rates for under-18s and apprentices are still to be published. The voluntary Real Living Wage is £14.10 (£15.45 in London) from the October 2026 announcement.

Business mileage (your own car or van)

Tax-free rate per mile	Before Budget	After Budget
First 10,000 business miles	55p	55p (made permanent)
Each mile over 10,000	25p	35p

Corporation Tax

For accounting periods in the years to 31 March 2026 and 31 March 2027.

Taxable profits	Rate
Up to £50,000 (small profits rate)	19%
£50,001 to £250,000 (marginal relief, effective rate on this slice)	26.5%
Over £250,000 (main rate)	25%
Overdrawn director's loan not repaid within 9 months of year end	33.75%

The £50,000 and £250,000 limits are divided by the number of associated companies and reduced for short periods.

Capital allowances (buying equipment)

	2026/27	Budget 2026
Annual Investment Allowance (100% in year one)	£1,000,000	No change
Full expensing for companies (new main rate kit)	100%	No change
Special rate first-year allowance for companies (new kit)	50%	No change
First-year allowance, main rate, all businesses (new kit)	40%	50%
Main pool writing down allowance (each year)	14%	12% from April 2027
Special rate pool (e.g. integral features)	6%	No change
Structures and buildings allowance (straight line)	3%	No change
Cars: zero emission, new	100%	No change
Cars: 1 to 50g/km CO ₂ / over 50g/km	18% / 6%	No change



Capital Gains Tax

	2026/27	2025/26
Annual exempt amount (individuals)	£3,000	£3,000
Rate within the basic rate band	18%	18%
Rate within higher and additional rate bands	24%	24%
Business Asset Disposal Relief rate	18%	14%
Business Asset Disposal Relief lifetime limit	£1,000,000	£1,000,000
Budget 2026: BADR lifetime limit from April 2027	£500,000	

Gains on UK residential property must be reported and the tax paid within 60 days of completion.

VAT

No change to VAT rates or thresholds in the Budget.

	2026/27
Standard rate	20%
Reduced rate (e.g. domestic fuel)	5%
Must register if taxable turnover is over	£90,000
Can deregister if turnover falls below	£88,000
Flat Rate Scheme: join if turnover is up to	£150,000
Cash and annual accounting: turnover up to	£1,350,000

Budget 2026: online marketplaces will collect VAT for UK sellers with over £90,000 of sales through them from October 2027. VAT e-invoicing is planned from April 2029.

Pensions, ISAs and State Pension

	2026/27
Pension annual allowance (tapers down for very high earners)	£60,000
Money purchase annual allowance (once you have drawn flexibly)	£10,000
Lump sum allowance (tax-free cash)	£268,275
Lump sum and death benefit allowance	£1,073,100
ISA allowance (cash ISA limit stays at £20,000 after the Budget)	£20,000
Lifetime ISA (counts towards the £20,000)	£4,000
Junior ISA	£9,000
New State Pension (full rate)	£241.30 a week (£12,547.60 a year)



Inheritance Tax

Thresholds unchanged by the Budget.

	2026/27
Nil-rate band	£325,000
Residence nil-rate band (home left to children or grandchildren)	£175,000
Rate above the bands (36% if 10% or more of the estate goes to charity)	40%
Annual gift exemption per person	£3,000
Small gifts per person receiving them	£250

Unused bands can pass to a surviving spouse or civil partner. The residence band reduces for estates over £2 million. Gifts are fully taxed if death is within 3 years, with the tax tapering to nothing after 7 years. Business and agricultural property relief changed from April 2026, and pensions come into Inheritance Tax from April 2027. Please speak to us about your estate.

Stamp Duty Land Tax (England and Northern Ireland)

Charged on each slice of the price, like income tax bands.

Residential	Rate	Commercial	Rate
Up to £125,000	0%	Up to £150,000	0%
£125,001 to £250,000	2%	£150,001 to £250,000	2%
£250,001 to £925,000	5%	Over £250,000	5%
£925,001 to £1,500,000	10%		
Over £1,500,000	12%		

First-time buyers pay nothing on the first £300,000 of homes up to £500,000. Add 5% for second homes and company purchases of £40,000 or more, and 2% for non-UK residents. Scotland and Wales have their own taxes.



Key dates

What	When
Self Assessment return (online) and balance of tax	31 January after the tax year ends
Payments on account	31 January and 31 July
Making Tax Digital quarterly updates	7 August, 7 November, 7 February, 7 May
Corporation Tax payment (profits under £1.5m)	9 months and 1 day after the year end
Company tax return (CT600)	12 months after the year end
Company accounts to Companies House (private company)	9 months after the year end
P11D and Class 1A (until payrolling becomes compulsory)	6 July / 22 July
Making Tax Digital for Income Tax	Applies if qualifying income is over
From April 2026	£50,000
From April 2027	£30,000
From April 2028	£20,000

Questions? Tax rules depend on your own circumstances. If you are not sure how any of these figures apply to you or your business, call us on **0203 773 2927** or speak to your usual contact at Prestige.