



## Income Tax, Personal Allowances, and Tax Credits

<b>Income tax rates</b>		
	<b>2022/23</b>	<b>2023/24</b>
<b>Starting rate band</b>	<b>£0 - £5,000</b>	<b>£0 - £5,000</b>
Savings rate – Non dividend	0%	0%
Non-savings rate	20%	20%
<b>Basic rate band</b>	<b>£5,001 - £37,700</b>	<b>£5,001 - £37,700</b>
Non-savings rate	20%	20%
Dividend ordinary rate *	8.75%	8.75%
<b>Higher rate</b>	<b>£37,701 –£150,000</b>	<b>£37,701 –£125,140</b>
Tax rate excluding dividends	40%	40%
Dividend ordinary rate	33.75%	33.75%
<b>Additional rate</b>	<b>Over £150,000</b>	<b>Over £125,140</b>
Tax rate excluding dividends	45%	45%
Dividend additional rate	39.35%	39.35%
<b>Personal allowances</b>		
	<b>2022/23</b>	<b>2023/24</b>
<b>Personal allowances</b>	<b>£12,570</b>	<b>£12,570</b>
Income limit for Personal allowance	£100,000	£100,000
* Dividend allowance	£2,000	£1,000
Savings Allowance basic rate band	£1,000	£1,000
Savings Allowance higher rate band	£500	£500
<small>(Additional rate taxpayers do not receive a Savings Allowance)</small>		
Trading income allowance	£1,000	£1,000
Property income allowance	£1,000	£1,000

<b>Married couple's allowances (relief at 10% when either partner born before 6 April 1935)</b>		
- maximum amount	£9,415	£10,375
- minimum amount	£3,640	£4,010
* - Age allowance income limit	£31,400	£34,600
Transferable marriage/civil partners' allowance	£1,260	£1,260
Blind person's allowance	£2,600	£2,870
<b>Tax credits</b>		
	<b>2022/23</b>	<b>2023/24</b>
<b>Working tax credit (WTC)</b>		
Income threshold	£6,770	£7,455
Basic element	£2,070	£2,280
Second adult and lone parent element	£2,125	£2,340
30-hour element	£860	£950
Disabled worker element	£3,345	£3,685
Severe disability element	£1,445	£1,595
Childcare element		
70% of eligible costs up to £175 per week (£300 if two or more children)		
<b>Child tax credit (CTC)</b>		
Income threshold	£17,005	£18,725
Child element per child – max	£2,935	£3,235
Family element	£545	£545
Child disability element	£3,545	£3,905
Severely disabled element	£1,430	£1,575
<b>Reductions in maximum rates 41% of income above £7,455* p.a.</b>		
<b>Child Benefit rates</b>		
Eldest/only child	£21.80pw	£24.00pw
Childcare element	£14.45pw	£15.90pw
<b>Guardian's allowance</b>	£18.55pw	£20.40pw

For more information, contact Hugh, Shirley, Karen, or Michael at Hugh Davies & Co on 01722 336647.