

Income Tax Rates and Allowances

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**Table 1
Income tax allowances**

	Notes	2008-09	2009-10	2010-11	2011-12	2012-13
Personal Allowance						
Aged up to 64	4	£6,035	£6,475	£6,475	£7,475	£8,105
Aged 65 – 74	1	£9,030	£9,490	£9,490	£9,940	£10,500
Aged 75 or over	1	£9,180	£9,640	£9,640	£10,090	£10,660
Minimum 65 and over if income exceeds limit		£6,035	£6,475	n/a	n/a	n/a
Married Couple's Allowance (given at 10%)	3					
Either spouse aged 65 or over in tax year	1 & 2	£6,535	n/a	n/a	n/a	n/a
Either spouse aged 75 or over in tax year (born before 6 April 1935)	1 & 2	£6,625	£6,965	£6,965	£7,295	£7,705
Minimum when income exceeds limit		£2,540	£2,670	£2,670	£2,800	£2,960
Income limit for age-related allowances	1	£21,800	£22,900	£22,900	£24,000	£25,400
Blind person's allowance		£1,800	£1,890	£1,890	£1,980	£2,100
Rent-a-room relief		£4,250	£4,250	£4,250	£4,250	£4,250

Notes:

1 These allowances are reduced by £1 for every £2 of extra income over the income limit given above. For calculation of allowances where income limit applies, see What tax allowances can I claim?

2 These allowances are given as a reduction in your tax bill. Multiply the amount of the allowance by 10% to find the tax you save.

3 From 2006/07 this is also available to registered civil partners

4 Reduced by £1 for every £2 by which income exceeds £100,000

Table 2	2008-09	2009-10	2010-11	2011-12	2012-13	Note
Income tax rates and bands						
Savings income starting rate						
Tax rate	10%	10%	10%	10%	10%	1, 2
From	0	0				
To	£2,320	£2,440	£2,440	£2,560	£2,710	
Basic rate						
All income except savings	20%	20%	20%	20%	20%	
Savings income (excluding dividends)	20%	20%	20%	20%	20%	
Dividend income	10%	10%	10%	10%	10%	
From	0	0	0	0	0	2
To	£34,800	£37,400	£37,400	£35,000	£34,370	
Higher rate						
All income above / between	£34,800	£37,400	£37,400 to £150,000	£35,000 to £150,000	£34,370 to £150,000	
All income except dividends	40%	40%	40%	40%	40%	
Dividend income	32.5%	32.5%	32.5%	32.5%	32.5%	
Additional rate						
All income above			£150,000	£150,000	£150,000	
All income except dividends			50%	50%	50%	
Dividends			42.5%	42.5%	42.5%	

See notes below:

Notes:

1 The starting rate of 10% is no-longer available for non-savings income. From 6 April 08 it was replaced by a savings income starting rate band.

2 For savings income, the basic rate band starts after the starting rate band for savings - £2,710 in 2012-13. The 10% starting rate band for savings is only available if non-savings income is less than an individual's personal allowance plus the starting rate band. Savings income is treated as the top slice of income (with dividends as the top slice of savings). This means that the 10% starting rate is not available in 2012-13 for savings income if non-savings income exceeds £2,710 plus the appropriate personal allowance. This can be a complex calculation. For examples and guidance on the HMRC website, see <http://www.hmrc.gov.uk/tdsi/ten-per-cent-guidance.htm>