BTS 2022-23 Tax Year Changes Summary (December 2022)

Area	Summary of changes
Income Tax	• PA and higher rate threshold fixed at their current levels until April 2028. • They will be £12,570 and £50,270 respectively.
Dividends	• Allowance changes: ○ Current year £2,000 ○ 23/24: £1,000 ○ 24/25 £500 • Dividend taxation rates from April 2023: ○ Ordinary rate - 8.75% ○ Upper rate - 33.75% ○ Additional rate - 39.35%.
Capital Gains Tax	• Annual Exemption ○ currently £12,300 ○ £6,000 in 23/24 ○ £3,000 in 24/25
Stamp Duty Land Tax	• Change from 23rd Sept, so tested from 23rd Dec • Standard rates: ○ 0% band increased from £125,000 to £250,000 • First time buyer threshold ○ 0% band increased from £300,000 to £425,000 ○ Max property value increased from £500,000 to £625,000
National Insurance Contributions	• Additional 1.25% added to classes 1, 1a and 4 scrapped from 6th Nov • Possibly tested from 6th Feb '24

Area	Summary of changes

Company car taxation	• Will be taxed more!
	  ○ Electric cars will be taxed at 5%
	  ○ Low emission petrol cars at 21%
	  ○ Less eco-friendly models by up to 37% (rising by 1% at all levels currently below the maximum).
	• Car fuel benefit and van benefit charges will rise in line with the Consumer Price Index in April.

Corporation Tax	• Increase originally announced in 2021, then cancelled in September 2022, then re-instated in October
	• Will increase with effect from 1/4/2023.
	  ○ Taxable profits of more than £250,000 per annum; increases from 19% to 25%.
	  ○ Profits below £50,000; the 19% rate remains.
	  ○ Profits between £50,000 and £250,000; marginal rate of 26.5% will apply.