

## TAX RATES FOR THE 2020/21 TAX YEAR

### PERSONAL

Please see below for the applicable tax rates for the 2020/21 tax year (from 6 April 2020 to 5 April 2021) for income or dividends you receive during this period. *Please note this does not include rates and bands for Scotland.*

Tax Rate	Income Bands <i>(per tax year)</i>
Basic rate income tax - 20%	Due on taxable earnings from £0 to £37,500  (please note, this is after your personal allowance)
Higher rate income tax - 40%	Due on taxable earnings from £37,501 to £150,000
Additional rate income tax - 45%	Due on taxable earnings over £150,000
Dividend tax - Basic rate - 7.5%	Due on taxable dividend income within the basic rate band
Dividend tax - Higher rate - 32.5%	Due on taxable dividend income in the higher rate band
Dividend tax - Additional rate - 38.1%	Due on taxable dividend income in the additional rate band

In order to calculate the taxes you need to pay, you may be able to take certain reliefs and allowances into account. See below for more information on some of the key reliefs and allowances available in 2020/21

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Relief	Amount (per tax year)
<p><b>Standard Personal Allowance</b></p> <p><i>(This is a tax-free income you can receive before income tax becomes due. Please note if you are not UK resident you should check whether this is available to you)</i></p> <p><i>If you receive income over £100,000, this allowance reduces by £1 for every £2 above £100,000.</i></p>	£12,500
<p><b>Transferrable marriage allowance</b></p> <p><i>(This means you can transfer part of your personal allowance to your spouse).</i></p>	£1,250
<p><b>Married couples allowance</b></p> <p><i>(restricted to 10% relief) Either partner aged 75 or over and born before 6 April 1935.</i></p> <p><i>(For marriages before 5 December 2005, the husband's income is used to work out Married Couple's Allowance. For marriage and civil partnerships after this date, it's the income of the highest earner.)</i></p>	£9,075
<p><b>Married couples allowance income limit</b></p> <p><i>(This is the limit at which the age allowance ceases to exist.)</i></p>	
<p>Minimum where limit exceeded</p>	£3,510

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Relief	Amount (per tax year)
<p><b>Blind person's allowance</b></p> <p><i>(In England and Wales, you are eligible to claim Blind Person's Allowance if you're registered with your local council as blind or severely sight impaired and in Scotland and Northern Ireland you may claim Blind Person's Allowance if you can't do work for which eyesight is essential.)</i></p>	£2,500
<p><b>Dividend allowance</b></p> <p><i>(These are tax-free dividends you can receive before tax becomes due.)</i></p>	£2,000
<p><b>Personal savings allowance</b></p> <p>Basic rate taxpayer</p> <p>Higher rate taxpayer</p> <p><i>(The Personal Savings Allowance is the amount of interest that can be earned tax free and is different depending on what rate of tax you pay)</i></p> <p>Additional rate taxpayer</p>	<p>£1,000</p> <p>£500</p> <p>£0</p>
<p><b>Trading allowance</b></p> <p><i>(The trading allowance is a tax exemption for individuals with income from self-employment.)</i></p>	£1,000
<p><b>Property allowance</b></p> <p><i>(The property allowance is a tax exemption for individuals with income from property.)</i></p>	£1,000

### HOW CAN BLUE-PEAK HELP?

With backgrounds in the Big 4, we have a wealth of experience assisting individuals and companies with their tax obligations and compliance.

Contact us to discuss your specific circumstances in more detail and we would be pleased to provide assistance.

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