

# RI Rates of corporation tax

From 1964, corporation tax is paid by companies and other collective bodies.  
 From 1973, it is paid at the small profits rate up to the SPR maximum.  
 It is paid at the full rate above the full rate minimum.

For profits between these limits, corporation tax is paid at the full rate but reduced by the marginal relief fraction.

An alternative way of calculating corporation tax between these limits, is to say that the amount up to the SPR maximum is taxed at the small profit rate, and the next slice is taxed at the marginal rate. This marginal rate is not an official figure.

Rates from 2012 are proposed rates.

Fin Year	Small profit rate <sup>1</sup> %	Marg relief fraction	Marg rate %	Full rate %	SPR maximum £	Full rate minimum £	ACT rate <sup>4</sup>	CGT relief <sup>5</sup>
2014				23				
2013				24				
2012				25				
2011	20	3/200	27.5	26	300,000	1.5 million	-	-
2010	21	7/400	29.75	28	300,000	1.5 million	-	-
2009	21	7/400	29.75	28	300,000	1.5 million	-	-
2008	21	7/400	29.75	28	300,000	1.5 million	-	-
2007	20	1/40	32.5	30	300,000	1.5 million	-	-
2006	19	11/400	32.75	30	300,000	1.5 million	-	-
2005 <sup>2,3</sup>	19	11/400	32.75	30	300,000	1.5 million	-	-
2004 <sup>2,3</sup>	19	11/400	32.75	30	300,000	1.5 million	-	-
2003 <sup>2</sup>	19	11/400	32.75	30	300,000	1.5 million	-	-
2002 <sup>2</sup>	19	11/400	32.75	30	300,000	1.5 million	-	-
2001 <sup>2</sup>	20	1/40	32.5	30	300,000	1.5 million	-	-
2000	20	1/40	32.5	30	300,000	1.5 million	-	-
1999	20	1/40	32.5	30	300,000	1.5 million	-	-
1998 <sup>4</sup>	21	1/40	33.5	31	300,000	1.5 million	¼	-
1997	21	1/40	33.5	31	300,000	1.5 million	¼	-
1996	24	1/50	35.25	33	300,000	1.5 million	¼	-
1995	25	1/50	35	33	300,000	1.5 million	¼	-
1994	25	1/50	35	33	300,000	1.5 million	¼	-
1993	25	1/50	35	33	250,000	1.25 million	9/31	-
1992	25	1/50	35	33	250,000	1.25 million	1/3	-
1991	25	1/50	35	33	250,000	1.25 million	1/3	-
1990	25	9/400	36.25	34	200,000	1 million	1/3	-

Fin Year	Small profit rate <sup>1</sup>	Marg relief fraction	Marg rate %	Full rate %	SPR maximum £	Full rate minimum £	ACT rate <sup>4</sup>	CGT relief <sup>5</sup>
1989	25	1/40	37.5	35	150,000	750,000	1/3	-
1988	25	1/40	37.5	35	100,000	500,000	1/3	-
1987	27	1/50	37	35	100,000	500,000	27/73	-
1986	29	3/200	36.5	35	100,000	500,000	29/71	1/7
1985	30	1/40	42.5	40	100,000	500,000	3/7	1/4
1984	30	3/80	48.75	45	100,000	500,000	3/7	1/3
1983	30	1/20	55	50	100,000	500,000	3/7	2/5
1982	38	7/200	55.5	52	100,000	500,000	3/7	11/26
1981	40	2/25	60	52	90,000	225,000	3/7	11/26
1980	40	2/25	60	52	80,000	200,000	3/7	11/26
1979	40	7/50	66	52	70,000	130,000	3/7	11/26
1978	42	3/20	67	52	60,000	100,000	33/67	11/26
1977	42	1/7	66.29	52	50,000	85,000	34/66	11/26
1976	42	4/25	68	52	40,000	65,000	35/65	11/26
1975	42	3/20	67	52	30,000	50,000	35/65	11/26
1974	42	1/6	68.67	52	25,000	40,000	33/67	11/26
1973	42	1/6	68.67	52	25,000	40,000	3/7	11/26
1972	-	-	-	40	-	-	-	-
1971	-	-	-	40	-	-	-	-
1970	-	-	-	40	-	-	-	-
1969	-	-	-	42.5	-	-	-	-
1968	-	-	-	45	-	-	-	-
1967	-	-	-	42.5	-	-	-	-
1966	-	-	-	40	-	-	-	-
1965	-	-	-	40	-	-	-	-
1964	-	-	-	40	-	-	-	-

<sup>1</sup> Before 2010, the small profits rate was known as the small companies rate.

From 1983 to 1996, this rate was the same as the basic rate of income tax.

<sup>2</sup> For years 2000 to 2005 there was a starting rate with a bandwidth of £10,000 to £50,000

The starting rate was 10% for 2000 and 2001; and 0% for subsequent years. The marginal starting rates were 22.5% and 23.75% respectively.

<sup>3</sup> For 2004 and 2005, there was a non-corporate distribution rate of 19%.

<sup>4</sup> Advance corporation tax was payable between 1973 and 1998.

<sup>5</sup> Before 1987, capital gains relief was given by reducing the taxable gain by the fraction. So reducing it by 11/26 meant that 15/26 of the gain was taxed at 52%. This had the same effect as taxing the whole gain at 30%, which was then the rate of capital gains tax.

Before 1964, companies paid income tax and profits tax.