

# Rates of income tax

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## Rates

These are the rates of income tax that generally apply.  
There are some special rates given later.

Tax year	Rate of tax %	Slice of income £	Cumulative tax £
2011/12	20	1-35,000	7,000.00
	40	35,011-150,000	53,000.00
	50	150,000+	-
2010/11	20	1-37,400	7,480.00
	40	37,401-150,000	45,040.00
	50	150,000+	-
2009/10	20	1-37,400	7,480.00
	40	37,400+	-
2008/09	20	1-34,800 <sup>1</sup>	6,960.00
	40	34,800 +	-
2007/08	10	1-2,230	223.00
	22	2,230-34,600	7,344.40
	40	34,600 +	-
2006/07	10	1-2,150	215.00
	22	2,150-33,300	7,068.00
	40	33,300 +	-
2005/06	10	1-2,090	209.00
	22	2,090-32,400	6,877.20
	40	32,400 +	-
2004/05	10	1-2,020	202.00
	22	2,020-31,400	6,665.60
	40	31,400 +	-
2003/04	10	1-1,960	196.00
	22	1,960-30,500	6,474.80
	40	30,500 +	-

2002/03	10	1-1,920	192.00
	22	1,920-29,900	6,346.60
	40	29,900 +	-
2001/02	10	1-1,880	188.00
	22	1,880-29,400	6,242.40
	40	29,400 +	-
2000/01	10	1-1,520	152.00
	22	1,520-28,400	6,065.60
	40	28,400 +	-
1999/2000	10	1-1,500	150.00
	23	1,500-28,000	6,245.00
	40	28,000 +	-
1998/99	20	1-4,300	860.00
	23	4,300-27,100	6,104.00
	40	27,100 +	-
1997/98	20	1-4,100	820.00
	23	4,100-26,100	5,880.00
	40	26,100 +	-
1996/97	20	1-3,900	780.00
	24	3,900-25,500	5,964.00
	40	25,500 +	-
1995/96	20	1-3,200	640.00
	25	3,201-24,300	5,915.00
	40	24,300 +	-
1994/96	20	1-3,000	600.00
	25	3,001-23,700	5,775.00
	40	23,700 +	-
1993/94	20	1-2,500	500.00
	25	2,500-23,700	5,800.00
	40	23,700 +	-
1992/93	20	1-2,000	400.00
	25	2,001-23,700	5,825.00
	40	23,700 +	-

1991/92	25	1-23,700	5,925.00
	40	23,700 +	-
1990/91	25	1-20,700	5,175.00
	40	20,700 +	-
1989/90	25	1-20,700	5,175.00
	40	20,700 +	-
1988/89	25	1-19,300	4,825.00
	40	19,300 +	-

<sup>1</sup> This limit was originally set at £36,000 but was reduced in October 2008 with retrospective effect to April 2008

## Rates before 1988/89

Tax year	25% to	Basic rate	up to £	40% £	45% £	50% £	55% £	60% £	65% £	70% £	75% £	83% £
87/88	-	27%	17,900	20,400	25,400	33,300	41,200	balance				
86/87	-	29%	17,200	20,200	25,400	33,300	41,200	balance				
85/86	-	30%	16,200	19,200	24,400	32,300	40,200	balance				
84/85	-	30%	15,400	18,200	23,100	30,600	38,100	balance				
83/84	-	30%	14,600	17,200	21,800	28,900	36,000	balance				
82/83	-	30%	12,800	16,100	19,100	25,300	31,500	balance				
81/82	-	30%	11,250	13,250	16,750	22,250	27,750	balance				
80/81	-	30%	11,250	13,250	16,750	22,250	27,750	balance				
79/80	750	30%	10,000	12,000	15,000	20,000	25,000	balance				
78/79	750	30%	8,000	9,000	10,000	11,000	12,500	14,000	16,000	18,500	24,000	balance
77/78	-	34%	6,000	7,000	8,000	9,000	10,000	12,000	14,000	16,000	21,000	balance
76/77	-	35%	5,000	5,500	6,500	7,500	8,500	10,000	12,000	15,000	20,000	balance
75/76	-	35%	4,500	5,000	6,000	7,000	8,000	10,000	12,000	15,000	20,000	balance
				<b>38%</b>	<b>43%</b>	<b>48%</b>	<b>53%</b>	<b>58%</b>	<b>63%</b>	<b>68%</b>	<b>73%</b>	<b>83%</b>
74/75	-	33%	4,500	5,000	6,000	7,000	8,000	10,000	12,000	15,000	20,000	balance
				<b>40%</b>	<b>45%</b>	<b>50%</b>	<b>55%</b>	<b>60%</b>	<b>65%</b>	<b>70%</b>	<b>75%</b>	<b>83%</b>
73/74	-	30%	5,000	6,000	7,000	8,000	10,000	12,000	15,000	20,000	balance	

Before 1973, a different method was used.

# Special rates of income tax

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## Composite rate

This was a special rate charged on deposit accounts between 1973/74 and 1990/91 (not given).

## Construction Industry Scheme

Tax years	Rate
2007/08-2011/12	20% <sup>1</sup>
2000/01-2006/07	18%
1997/98-1999/2000	23%
1995/96-1996/97	24% <sup>2</sup>
1988/89-1994/95	25% <sup>2</sup>

<sup>1</sup> From 2007/08, there is also a higher rate of 30%

<sup>2</sup> The 25% rate applied from 31 October 1995

## Gift Aid

Tax years	Rate
2011/12	25%
2000/01-2010/11	28.205%
1997/98-1999/2000	29.870%

Gift Aid reclaims tax at the grossed up equivalent to the basic rate of income tax, except that for the two years of 2008/09 and 2009/10, tax may be reclaimed on the grossed up equivalent of 22% even though the basic rate is 20%

## Grossed up rates

Tax rate	Grossed up rate
10%	11.111%
20%	25.000%
22%	28.205%
23%	29.870%
24%	31.579%
25%	33.333%
40%	66.667%
50%	100%

The grossed up rate is the amount which must be added to a figure so that when the tax rate is subtracted, it returns to the original figure.

## Investment income surcharge

Tax year	Normal rate			Rates for elderly		
	nil to £	10% to £	15% to £	nil to £	10% to £	15% to £
1983/84	7100	-	balance	7100	-	balance
1982/83	6250	-	balance	6250	-	balance
1981/82	5500	-	balance	5500	-	balance
1980/81	5500	-	balance	5500	-	balance
1979/80	5000	-	balance	5000	-	balance
1978/79	1700	2250	balance	2500	3000	balance
1977/78	1500	2000	balance	2000	2500	balance
1976/77	1000	2000	balance	1500	2000	balance
1975/76	1000	2000	balance	1500	2000	balance
1974/75	1000	2000	balance	1500	2000	balance
1973/74	2000	-	balance	2000	-	balance

## Savings income

10% rate on earnings up to:

Tax year	Savings rate limit
2011/12	£2,560
2010/11	£2,440
2009/10	£2,440
2008/09	£2,320
2007/08	£2,230
2006/07	£2,150

Special rate of 20% from 1996/97.

## Trusts

Tax years	Rate
2010/11-2011/12	50%
2004/05-2009/10	40% <sup>1</sup>
1996/97-2003/04	34%
1988/89-1995/96	35% <sup>2</sup>

These rates only apply to specific types of trust

<sup>1</sup> From 6 April 2005, the first £500 of trust income is taxed at the basic rate of income tax

From 6 April 2004, the rate of tax payable by trusts on dividends is 32.5%.

From 6 April 2004, trusts for vulnerable beneficiaries pay tax as if the income were the beneficiary's. This means they may claim personal allowances and lower rate tax bands.

<sup>2</sup> From 1988/89, beneficiaries are credited with tax at the rate of 35% regardless of the rate actually paid by the trust.