

Appendix A. Headline tax and benefit rates and thresholds

| | 2019–20 | 2020–21 ^a |
|---|--------------------|----------------------|
| Income tax | | |
| Personal allowance | £12,500 p.a. | £12,500 p.a. |
| Married couple's allowance, restricted to 10% (at least one spouse/civil partner born before 6/4/35) | £8,915 p.a. | £9,065 p.a. |
| Basic rate ^b | 20% | 20% |
| Higher rate ^b | 40% | 40% |
| Additional rate ^b | 45% | 45% |
| Basic-rate limit ^b | £37,500 p.a. | £37,500 p.a. |
| Higher-rate limit ^b | £150,000 p.a. | £150,000 p.a. |
| Threshold for personal allowance withdrawal | £100,000 p.a. | £100,000 p.a. |
| Personal savings allowance, basic (higher) rate | £1,000 (£500) p.a. | £1,000 (£500) p.a. |
| Starting-rate limit (for savings income) | £5,000 p.a. | £5,000 p.a. |
| Tax rates on savings income | 0%, 20%, 40%, 45% | 0%, 20%, 40%, 45% |
| Dividend allowance | £2,000 p.a. | £2,000 p.a. |
| Tax rates on dividend income | 7.5%, 32.5%, 38.1% | 7.5%, 32.5%, 38.1% |
| National Insurance contributions | | |
| Earnings threshold | £166 p.w. | £169 p.w. |
| Upper earnings limit (UEL) | £962 p.w. | £962 p.w. |
| Employee rate – below UEL | 12% | 12% |
| – above UEL | 2% | 2% |
| Employer rate | 13.8% | 13.8% |
| Apprenticeship levy | | |
| Rate | 0.5% | 0.5% |
| Allowance | £15,000 p.a. | £15,000 p.a. |
| Corporation tax | | |
| Main rate | 19% | 17% |
| Bank surcharge | 8% | 8% |

| | 2019-20 | 2020-21 ^a |
|--|---------------------------------|--------------------------------|
| Bank levy | | |
| Rates: equity and long-term liabilities | 0.075% (0.07% from Jan 2020) | 0.07% (0.05% from Jan 2021) |
| short-term liabilities | 0.15% (0.14% from Jan 2020) | 0.14% (0.10% from Jan 2021) |
| Capital gains tax | | |
| Annual exempt amount (for individuals) | £12,000 p.a. | £12,200 p.a. |
| Standard rate – housing and carried interest | 18% | 18% |
| – other assets | 10% | 10% |
| Higher rate – housing and carried interest | 28% | 28% |
| – other assets | 20% | 20% |
| Entrepreneurs' relief rate | 10% | 10% |
| Inheritance tax | | |
| Nil-rate band | £325,000 | £325,000 |
| Residence nil-rate band | £150,000 | £175,000 |
| Rate for transfer at or near death | 40% | 40% |
| Value added tax | | |
| Registration threshold | £85,000 p.a. | £85,000 p.a. |
| Standard rate | 20% | 20% |
| Reduced rate | 5% | 5% |
| Excise duties | | |
| Beer (pint at 3.9% ABV) | 42.3p | 43.4p ^c |
| Wine (75cl bottle at 12% ABV) | 223p | 229p ^c |
| Spirits (70cl bottle at 40% ABV) | 805p | 826p ^c |
| 20 cigarettes: ^d specific duty | 457p | 480p ^c |
| <i>ad valorem</i> (16.5% of retail price) | 178p | 183p ^c |
| Ultra-low-sulphur petrol (litre) | 57.95p | 59.46p ^c |
| Ultra-low-sulphur diesel (litre) | 57.95p | 59.46p ^c |
| Air passenger duty | | |
| Band A (up to 2,000 miles): economy | £13 | £13 |
| club & first class | £26 | £26 |
| Band B (over 2,000 miles): economy | £78 | £80 |
| club & first class | £172 | £176 |
| Betting and gaming duty | | |
| Gaming duty (depends on gross gaming yield) | 15-50% | 15-50% |
| Spread betting rate: financial bets | 3% | 3% |
| other bets | 10% | 10% |

| | 2019–20 | 2020–21 ^a |
|--|------------------|-----------------------------|
| Insurance premium tax | | |
| Standard rate | 12% | 12% |
| Higher rate | 20% | 20% |
| Stamp duty land tax (England)^e | | |
| First-time buyers of residential property valued up to £500,000: | | |
| up to £300,000 | 0% | 0% |
| £300,000–£500,000 | 5% | 5% |
| Other residential property purchases (excl. second homes): | | |
| up to £125,000 | 0% | 0% |
| £125,000–£250,000 | 2% | 2% |
| £250,000–£925,000 | 5% | 5% |
| £925,000–£1,500,000 | 10% | 10% |
| above £1,500,000 | 12% | 12% |
| Non-residential property purchases: | | |
| up to £150,000 | 0% | 0% |
| £150,000–£250,000 | 2% | 2% |
| above £250,000 | 5% | 5% |
| Stamp duty on shares | | |
| Rate | 0.5% | 0.5% |
| Vehicle excise duty | | |
| Petrol/diesel cars registered after 1/4/17: | | |
| First year (emissions-based) | £0–£2,135 p.a. | £0–£2,190 p.a. ^c |
| Subsequent years | £145 p.a. | £150 p.a. ^c |
| Petrol/diesel cars registered 1/3/01–31/3/17: | | |
| Graduated (emissions-based) system | £0–£570 p.a. | £0–£585 p.a. ^c |
| Landfill tax^f | | |
| Standard rate | £91.35 per tonne | £94.15 per tonne |
| Lower rate (inactive waste only) | £2.90 per tonne | £3.00 per tonne |
| Climate change levy | | |
| Electricity | 0.847p/kWh | 0.811p/kWh |
| Natural gas | 0.339p/kWh | 0.406p/kWh |
| Liquefied petroleum gas | 2.175p/kg | 2.175p/kg |
| Any other taxable commodity | 2.653p/kg | 3.174p/kg |
| Council tax | | |
| Average band D rate in England | £1,750 | Councils to set |

| | 2019–20 | 2020–21 ^a |
|---|--------------|----------------------|
| Business rates | | |
| Rate applicable for mid-value properties ⁹ in: | | |
| England | 49.1% | 49.9% |
| Scotland | 49.0% | 49.8% |
| Wales | 52.6% | 53.5% |
| Income support / income-based JSA / income-based ESA | | |
| Single (aged 25 or over) | £73.10 p.w. | £74.35 p.w. |
| Couple (both aged 18 or over) | £114.85 p.w. | £116.80 p.w. |
| ESA additional components and premiums | | |
| Work-related activity component ^h | £29.05 p.w. | £29.55 p.w. |
| Support component | £38.55 p.w. | £39.20 p.w. |
| Carer premium | £36.85 p.w. | £37.50 p.w. |
| Severe disability premium | £65.85 p.w. | £66.95 p.w. |
| Enhanced disability premium – single | £16.80 p.w. | £17.10 p.w. |
| – couple | £24.10 p.w. | £24.50 p.w. |
| Personal independence payment | | |
| Daily living component – standard rate | £58.70 p.w. | £59.70 p.w. |
| – enhanced rate | £87.65 p.w. | £89.15 p.w. |
| Mobility component – standard rate | £23.20 p.w. | £23.60 p.w. |
| – enhanced rate | £61.20 p.w. | £62.25 p.w. |
| State pension | | |
| Basic state pension, for those who reached SPA before 6/4/16 – single | £129.20 p.w. | £134.35 p.w. |
| – couple | £206.65 p.w. | £214.90 p.w. |
| Single-tier pension, for those who reach SPA on or after 6/4/16: | £168.60 p.w. | £175.35 p.w. |
| Winter fuel payment | | |
| For those born before 6/04/54: | | |
| and aged under 80 | £200 p.a. | £200 p.a. |
| aged 80 or over | £300 p.a. | £300 p.a. |

| | 2019-20 | 2020-21 ^a |
|--|--------------|----------------------|
| Pension credit | | |
| Guarantee credit, for those over female SPA: | | |
| single | £167.25 p.w. | £173.95 p.w. |
| couple | £255.25 p.w. | £265.45 p.w. |
| Savings credit, for those aged 65 or over who reached SPA before 6/4/16: | | |
| threshold | | |
| - single | £144.38 p.w. | £146.83 p.w. |
| - couple | £229.67 p.w. | £233.57 p.w. |
| maximum | | |
| - single | £13.73 p.w. | £13.96 p.w. |
| - couple | £15.35 p.w. | £15.61 p.w. |
| withdrawal rate | 40% | 40% |
| Child benefit | | |
| First child | £20.70 p.w. | £21.05 p.w. |
| Other children | £13.70 p.w. | £13.95 p.w. |
| Threshold | £50,000 p.a. | £50,000 p.a. |
| Withdrawal rate | 1% per £100 | 1% per £100 |
| Child tax credit | | |
| Family element ⁱ | £545 p.a. | £545 p.a. |
| Child element ^j | £2,780 p.a. | £2,825 p.a. |
| Working tax credit | | |
| Basic element | £1,960 p.a. | £1,995 p.a. |
| Couple and lone-parent element | £2,010 p.a. | £2,045 p.a. |
| 30-hour element | £810 p.a. | £825 p.a. |
| Childcare element: | | |
| maximum eligible cost for one child | £175 p.w. | £175 p.w. |
| maximum eligible cost for two or more children | £300 p.w. | £300 p.w. |
| proportion of eligible costs covered | 70% | 70% |
| Features common to child and working tax credits | | |
| Threshold | £6,420 p.a. | £6,420 p.a. |
| Threshold if entitled to child tax credit only | £16,105 p.a. | £16,380 p.a. |
| Withdrawal rate | 41% | 41% |

| | 2019–20 | 2020–21 ^a |
|---|---|---|
| Universal credit | | |
| Standard allowance: | | |
| single (aged 25 or over) | £317.82 p.m. | £323.22 p.m. |
| couple (at least one aged 25 or over) | £498.89 p.m. | £507.37 p.m. |
| Child element ^j | £231.67 p.m. | £235.61 p.m. |
| Premium for first child ⁱ | £45.41 p.m. | £46.18 p.m. |
| Limited capability for work element ^h | £126.11 p.m. | £128.25 p.m. |
| Limited capability for work-related activity element | £336.20 p.m. | £341.92 p.m. |
| Carer element | £160.20 p.m. | £162.92 p.m. |
| Childcare element: | | |
| maximum eligible cost for one child | £646.35 p.m. | £646.35 p.m. |
| maximum eligible cost for two or more children | £1,108.04 p.m. | £1,108.04 p.m. |
| proportion of eligible costs covered | 85% | 85% |
| Work allowance (awarded to claimants with children or a limited capability for work): | | |
| claim includes housing support | £287.00 p.m. | £292.00 p.m. |
| claim includes no housing support | £503.00 p.m. | £512.00 p.m. |
| Withdrawal rate | 63% | 63% |
| Maternity benefits | | |
| Sure Start maternity grant | £500 | £500 |
| Statutory maternity pay: | | |
| weeks 1–6 | 90% of earnings | 90% of earnings |
| weeks 7–39 | £148.68 p.w., or 90% of earnings if lower | £151.21 p.w., or 90% of earnings if lower |
| Maternity allowance | £148.68 p.w. | £151.21 p.w. |

Abbreviations: ABV = alcohol by volume; ESA = employment and support allowance; JSA = jobseeker's allowance; SPA = state pension age.

^a 2020–21 figures take pre-announced values where available and estimated results of standard indexation – where available – otherwise.

^b Income tax rates and thresholds are different in Scotland (except for savings and dividend income). In 2019–20, a rate of 19% applies to the first £2,050 of taxable income, 20% to the next £10,395 and 21% to the next £18,485; the higher rate is 41% and applies to taxable income above £30,930; and the additional rate is 46% and applies to incomes above £150,000. Rates for 2020–21 are yet to be announced.

^c Assumes RPI inflation of 2.6% in the year to the second quarter of 2020 as forecast in Office for Budget Responsibility, *Economic and Fiscal Outlook: March 2019*, <http://obr.uk/efo/economic-fiscal-outlook-march-2019/>. Note that tobacco and alcohol duties change on Budget day and in February respectively, not in April.

^d Assumes the August 2019 average pre-tax price of 20 king-size filter cigarettes (based on series CZMP from table 55 of ONS's consumer price inflation tables, <https://www.ons.gov.uk/economy/inflationandpriceindices/datasets/consumerpriceinflation>).

^e Scotland and Wales operate different systems of property transaction taxes – called land and buildings

transaction tax and land transaction tax, respectively – with different rates and thresholds.

^f Scotland and Wales operate their own systems – Scottish landfill tax and landfill disposals tax, respectively – but currently set rates the same as those in the rest of the UK.

^g Applies to businesses with a rateable value between £15,000 and £51,000 in England, between £18,000 and £51,000 in Scotland, and above £12,000 in Wales (assuming in all cases that the business occupies a single property). Lower rates apply to properties below these ranges, and higher rates to properties above these ranges (in England and Scotland). An additional 0.6% is payable on properties in the City of London. Northern Ireland operates a different system with locally varying rates.

^h Only available for claims that began before April 2017.

ⁱ Only available to families with a child born before April 2017.

^j From April 2017, some families with more than two children are not awarded the child element for third and subsequent children, depending on the children's dates of birth.

Sources:

<https://www.gov.uk/government/publications/benefit-and-pension-rates-2019-to-2020/proposed-benefit-and-pension-rates-2019-to-2020>

<http://www.hmrc.gov.uk/rates/index.htm>

<https://www.gov.uk/winter-fuel-payment>

<https://www.gov.uk/pension-credit>

<https://www.gov.uk/tax-buy-shares/overview>

<https://www.gov.uk/vehicle-tax-rate-tables>

<https://www.gov.uk/inheritance-tax/overview>

<https://www.gov.uk/guidance/pay-apprenticeship-levy>

<https://www.gov.uk/government/publications/corporation-tax-to-17-in-2020/corporation-tax-to-17-in-2020>

<https://www.gov.uk/government/publications/bank-corporation-tax-surcharge/bank-corporation-tax-surcharge>

<https://www.gov.uk/entrepreneurs-relief>

<https://www.gov.uk/vat-registration-thresholds>

<https://www.gov.uk/government/publications/vat-thresholds-remain-unchanged/vat-maintain-thresholds-for-2-years-from-1-april-2020>

<https://www.gov.uk/vat-rates>

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<https://www.gov.uk/government/statistics/council-tax-levels-set-by-local-authorities-in-england-2019-to-2020>

<https://www.gov.uk/government/collections/business-rates-information-letters>

<https://www.gov.uk/stamp-duty-land-tax/overview>

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<http://business.wales.gov.uk/running-business/tax-corporation-tax-allowances-business-rates-vat/business-rates-relief-in-wales>

<https://www.mygov.scot/business-rates-guidance/>

<https://www.cityoflondon.gov.uk/business/business-rates/Pages/small-business-rate-relief.aspx>

<https://www.gov.uk/guidance/rates-and-allowances-for-air-passenger-duty>

<https://www.gov.uk/government/publications/bank-levy-rate-reduction/bank-levy-rate-reduction>

<https://www.gov.uk/capital-gains-tax/overview>

<https://www.gov.uk/guidance/inheritance-tax-residence-nil-rate-band>

For descriptions of the tax and benefit systems, see T. Pope and T. Waters, 'A survey of the UK tax system', IFS Briefing Note BN9, 2016, <http://www.ifs.org.uk/publications/1711> and A. Hood and A. Norris Keiller, 'A survey of the UK benefit system', IFS Briefing Note BN13, 2016, <http://www.ifs.org.uk/publications/1718>.

For a summary of the main tax measures introduced in each Budget, Pre-Budget Report and Autumn Statement between 1979 and Spring 2017, see http://www.ifs.org.uk/uploads/publications/ff/budget_measures.xls.

For estimates of the effects of various illustrative tax changes on government revenues, see HMRC, 'Tax ready reckoner statistics', <https://www.gov.uk/government/collections/tax-expenditures-and-ready-reckoners>.

Appendix B. Abbreviations

| | |
|-----------------|---|
| ABV | alcohol by volume |
| AE | advanced economies |
| AME | annually managed expenditure |
| APF | Asset Purchase Facility |
| BEIS | Department for Business, Energy and Industrial Strategy |
| bn | billion |
| BoE | Bank of England |
| bp | basis points |
| CBI | Confederation of British Industry |
| CCP | central counterparty |
| CDEL | capital departmental expenditure limits |
| CO | Cabinet Office |
| CO ₂ | carbon dioxide |
| CPB | Netherlands Bureau for Economic Policy Analysis |
| CPI | Consumer Prices Index |
| CSD | central securities depository |
| DCMS | Department for Digital, Culture, Media and Sport |
| Defra | Department for Environment, Food and Rural Affairs |
| DEL | departmental expenditure limit |
| DExEU | Department for Exiting the EU |
| DfE | Department for Education |
| DfID | Department for International Development |
| DfT | Department for Transport |
| DHSC | Department of Health and Social Care |
| DIT | Department for International Trade |
| DUP | Democratic Unionist Party |
| DWP | Department for Work and Pensions |
| ECB | European Central Bank |
| EFO | Economic and Fiscal Outlook |
| EM | emerging markets |
| EMTR | effective marginal tax rate |
| ESA | employment and support allowance |
| ESRC | Economic and Social Research Council |

| | |
|--------|---|
| EU | European Union |
| FARVAR | functional autoregressive value-at-risk |
| FCO | Foreign and Commonwealth Office |
| FCR | fiscal credibility rule |
| FDI | foreign direct investment |
| FE | further education |
| FRS | Family Resources Survey |
| FTPA | Fixed-Term Parliaments Act |
| g | grams |
| G7 | Group of Seven countries: Canada, France, Germany, Italy, Japan, UK, US |
| GATS | General Agreement on Trade in Services |
| GDP | gross domestic product |
| GFCF | gross fixed capital formation |
| GfK | Growth from Knowledge |
| GVA | gross value added |
| HM | Her Majesty's |
| HMG | Her Majesty's Government |
| HMPPS | Her Majesty's Prison and Probation Service |
| HMRC | Her Majesty's Revenue and Customs |
| HMSO | Her Majesty's Stationery Office |
| HMT | Her Majesty's Treasury |
| HO | Home Office |
| HRT | higher-rate threshold |
| IfG | Institute for Government |
| IFS | Institute for Fiscal Studies |
| IMF | International Monetary Fund |
| ISM | Institute for Supply Management |
| IT | information technology |
| JSA | jobseeker's allowance |
| kg | kilograms |
| km | kilometres |
| KORUS | United-States–Korea free trade agreement |
| kWh | kilowatt-hour |
| LEL | lower earnings limit |
| LH | left-hand |

| | |
|-------|---|
| LHS | left-hand side |
| m | million |
| max | maximum |
| MFN | most-favoured nation |
| MHCLG | Ministry of Housing, Communities and Local Government |
| min | minimum |
| MoD | Ministry of Defence |
| Moj | Ministry of Justice |
| MP | Member of Parliament |
| MPC | Monetary Policy Committee |
| mth | month |
| NAFTA | North American Free Trade Agreement |
| NHS | National Health Service |
| NICs | National Insurance contributions |
| OBR | Office for Budget Responsibility |
| ODA | official development assistance |
| OECD | Organisation for Economic Cooperation and Development |
| ONS | Office for National Statistics |
| OTC | over the counter |
| p | pence |
| p.a. | per annum |
| PESA | Public Expenditure Statistical Analyses |
| PIP | personal independence payment |
| p.m. | per month |
| PMI | purchasing managers' index |
| PNFC | private non-financial corporation |
| ppt | percentage point(s) |
| PSCE | public sector current expenditure |
| PSGI | public sector gross investment |
| PSNB | public sector net borrowing |
| PSNI | public sector net investment |
| PSNW | public sector net worth |
| PTR | participation tax rate |
| p.w. | per week |
| Q | quarter |

| | |
|--------|--|
| QQ | quarter on quarter |
| RDEL | resource departmental expenditure limits |
| RFID | Radio Frequency Identification |
| RH | right-hand |
| RHS | right-hand side |
| RICS | Royal Institution of Chartered Surveyors |
| RPI | Retail Prices Index |
| SIC | Standard Industrial Classification |
| SMMT | Society of Motor Manufacturers and Traders |
| SNP | Scottish National Party |
| SOC | Standard Occupational Classification |
| SPA | state pension age |
| TAXBEN | the IFS tax and benefit microsimulation model |
| TEU | Treaty on European Union |
| TME | total managed expenditure |
| UC | universal credit |
| UEL | upper earnings limit |
| UK | United Kingdom |
| UKERC | UK Energy Research Centre |
| ULEZ | ultra low emission zone |
| UN | United Nations |
| UPL | upper profits limit |
| US | United States |
| USD | US dollar |
| USTR | Office of the United States Trade Representative |
| VAR | vector autoregression |
| VAT | value added tax |
| VED | vehicle excise duty |
| WA | work allowance (in universal credit) |
| WTO | World Trade Organisation |
| YY | year on year |