



Taxes, National Insurance and Stamp Taxes

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Income Tax rates and allowances

[2007-08 and 2008-09 Income Tax rates, allowances and tax bands](#)

Income Tax allowances table

Income Tax allowances	2009-10	2010-11	2011-12
Personal Allowance (1)	£6,475	£6,475	£7,475
Income limit for Personal Allowance	Not applicable	£100,000	£100,000
Personal Allowance for people aged 65-74 (1)(2)	£9,490	£9,490	£9,940
Personal Allowance for people aged 75 and over (1)(2)	£9,640	£9,640	£10,090
Married Couple's Allowance (born before 6th April 1935 but aged under 75) (2)(3)(4)	Not applicable	Not applicable	Not applicable
Married Couple's Allowance (born before 6th April 1935 and aged 75 and over) (2) (3)	£6,965	£6,965	£7,295
Income limit for age-related allowances	£22,900	£22,900	£24,000
Minimum amount of Married Couple's Allowance	£2,670	£2,670	£2,800
Blind Person's Allowance	£1,890	£1,890	£1,980

1. From the 2010-11 tax year the Personal Allowance reduces where the income is above £100,000 - by £1 for every £2 of income above the £100,000 limit. This reduction applies irrespective of age.
2. These allowances reduce where the income is above the income limit for age-related allowances by £1 for every £2 of income above the limit. For the 2009-10 they will never be less than the basic Personal Allowance or minimum amount of Married Couple's Allowance. However, from the 2010-11 tax year the Personal Allowance for people aged 65 to 74 and 75 and over can be reduced below the basic Personal Allowance where the income is above £100,000.
3. Tax relief for the Married Couple's Allowance is given at the rate of 10 per cent.
4. In the 2009-10 tax year all Married Couple's Allowance claimants in this category became 75 at some point during the year and therefore entitled to the higher amount of the allowance - for those aged 75 and over.

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Income Tax rates and taxable bands

Income Tax rates and taxable bands

Rate	2009-10	2010-11	2011-12
Starting rate for savings: 10%*	£0-£2,440	£0-£2,440	£0- £2,560
Basic rate: 20%	£0-£37,400	£0-£37,400	£0- £35,000
Higher rate: 40%	Over £37,400	£37,401-£150,000	£35,001-£150,000
Additional rate: 50%	Not applicable	Over £150,000	Over £150,000

* From 2008-09 there is a 10 per cent starting rate for savings income only. If your non-savings income is above this limit then the 10 per cent starting rate for savings will not apply.

The rates available for dividends for the 2009-10 tax year are the 10 per cent ordinary rate and the 32.5 per cent dividend upper rate. From the 2010-11 tax year, as well as these rates there is a new dividend additional rate of 42.5 per cent.