



## Taxes, National Insurance and Stamp Taxes

### In this section:

- Income Tax
- National Insurance
- Corporation Tax
- Capital Gains Tax
- Inheritance Tax
- Stamp Taxes

You are here: [Home](#) > [The Library](#) > [Taxes, National Insurance and Stamp Taxes](#) > [Income Tax](#) > [Income Tax rates and allowances](#)

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

[Top](#)

## Income Tax rates and taxable bands

### Income Tax rates and taxable bands

Rate	2009-10	2010-11	2011-12
<b>Starting rate for savings: 10%*</b>	£0-£2,440	£0-£2,440	£0- £2,560
<b>Basic rate: 20%</b>	£0-£37,400	£0-£37,400	£0- £35,000
<b>Higher rate: 40%</b>	Over £37,400	£37,401-£150,000	£35,001-£150,000
<b>Additional rate: 50%</b>	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.