

BUSINESS TAX

Business Tax Tables 2026/27

Corporation tax, employer National Insurance, VAT, capital allowances, payroll and mileage rates for 2026/27, on two printable pages.

FOR: COMPANY DIRECTORS AND OWNER-MANAGERS • ANYONE RUNNING PAYROLL OR CLAIMING ALLOWANCES

Corporation tax

TAXABLE PROFITS	RATE
£50,000 or less	19% (small profits rate)
£50,001 to £250,000	25% less marginal relief
Over £250,000	25% (main rate)

Marginal relief is $3/200 \times (\text{£}250,000 - \text{profits})$ for a 12 month period, which makes the rate on extra profit in this band 26.5%. The limits are divided by one plus the number of associated companies, and reduced for periods shorter than 12 months.

Employer National Insurance

ITEM	2026/27
Employer Class 1 rate	15% of pay above £5,000 a year
Employees under 21, apprentices under 25	0% up to £50,270
Employment Allowance	£10,500 (not available if the only employee is a director)
Class 1A (benefits in kind)	15%
Class 1B (PAYE settlement agreements)	15%
Lower earnings limit; primary threshold	£6,708; £12,570

VAT

ITEM	2026/27
Standard rate	20%
Reduced rate	5%
Zero rate	0%
Registration threshold	£90,000 of taxable turnover in any 12 months
Deregistration threshold	£88,000

Company dates

- Corporation tax payment: 9 months and 1 day after the period end
- Corporation tax return: 12 months after the period end
- Accounts to Companies House: 9 months after the period end
- Confirmation statement: at least every 12 months

Payroll and VAT dates

- PAYE and National Insurance: by the 22nd of the next month if paid electronically
- P11D forms: 6 July
- VAT return and payment: 1 month and 7 days after the period end

Capital allowances

ALLOWANCE	RATE OR LIMIT
Annual investment allowance	£1,000,000
Full expensing (companies, new main-rate plant)	100%
First-year allowance, special-rate plant (companies)	50%
New first-year allowance, main-rate plant, spending from 1 January 2026	40%
Writing-down allowance, main pool	14% (was 18%; change from 1 April 2026 for companies, 6 April 2026 for others)
Writing-down allowance, special-rate pool	6%
Structures and buildings allowance	3%

Payroll rates

ITEM	FROM APRIL 2026
National Minimum Wage, 21 and over	£12.71 an hour
18 to 20	£10.85 an hour
Under 18 and apprentices	£8.00 an hour
Statutory Sick Pay	£123.25 a week
Statutory maternity, paternity and adoption pay (flat rate)	£194.32 a week
Apprenticeship Levy	0.5% of pay bill over £3 million, less £15,000

Mileage rates

VEHICLE	PER BUSINESS MILE
Car or van	55p for the first 10,000 miles, then 25p
Motorcycle	24p
Bicycle	20p
Passenger (extra)	5p

Planning an owner's pay

- £5,000: employer National Insurance starts
- £6,708: lower earnings limit, where State Pension credit starts
- £12,570: Personal Allowance and employee National Insurance threshold
- £50,270: higher-rate and upper National Insurance limit

Dividends are taxed at 10.75%, 35.75% or 39.35% above a £500 allowance.

Using these tables

To work out your own figures, use our tax calculators at ksba.co.uk/tax-calculators.

Figures are for the 2026/27 tax year and were checked against GOV.UK in October 2026. Rules change, so please check before you rely on them.

How King Street can help

0161 835 2323
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We can work out how these rates affect your company: corporation tax, what to pay yourself, what an employee really costs, and which allowances you can claim. We agree a fixed fee before work starts.

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