



# Finance (No. 2) Act 2023

## 2023 CHAPTER 30

### PART 1

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

##### *Income tax charge, rates etc*

#### **1 Income tax charge for tax year 2023-24**

Income tax is charged for the tax year 2023-24.

#### **2 Main rates of income tax for tax year 2023-24**

For the tax year 2023-24 the main rates of income tax are as follows—

- (a) the basic rate is 20%,
- (b) the higher rate is 40%, and
- (c) the additional rate is 45%.

#### **3 Default and savings rates of income tax for tax year 2023-24**

(1) For the tax year 2023-24 the default rates of income tax are as follows—

- (a) the default basic rate is 20%,
- (b) the default higher rate is 40%, and
- (c) the default additional rate is 45%.

(2) For the tax year 2023-24 the savings rates of income tax are as follows—

- (a) the savings basic rate is 20%,
- (b) the savings higher rate is 40%, and
- (c) the savings additional rate is 45%.

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*Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Cross Heading: Income tax charge, rates etc. (See end of Document for details)*

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#### **4 Freezing starting rate limit for savings for tax year 2023-24**

- (1) For the tax year 2023-24 the amount specified in section 12(3) of ITA 2007 (the starting rate limit for savings) is “£5,000”.
- (2) Accordingly, section 21 of that Act (indexation) does not apply in relation to the starting rate limit for savings for that tax year.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance (No. 2) Act 2023, Cross  
Heading: Income tax charge, rates etc.