



Finance Act 2020

2020 CHAPTER 14

PART 1

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

Income tax charge, rates etc

1 Income tax charge for tax year 2020-21

Income tax is charged for the tax year 2020-21.

2 Main rates of income tax for tax year 2020-21

For the tax year 2020-21 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 2020-21

(1) For the tax year 2020-21 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 2020-21 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%.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, Cross Heading: Income tax charge, rates etc. (See end of Document for details)

4 Starting rate limit for savings for tax year 2020-21

Section 21 of ITA 2007 (indexation) does not apply in relation to the starting rate limit for savings for the tax year 2020-21 (so that the starting rate limit for savings remains at £5,000 for that tax year).

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2020, Cross Heading:
Income tax charge, rates etc.