



Finance (No. 2) Act 2024

2024 CHAPTER 12

Income tax charge, rates etc

1 Income tax charge for tax year 2024-25

Income tax is charged for the tax year 2024-25.

2 Main rates of income tax for tax year 2024-25

For the tax year 2024-25 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 2024-25

(1) For the tax year 2024-25 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 2024-25 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%.

4 Freezing starting rate limit for savings for tax year 2024-25

(1) For the tax year 2024-25 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 2024, Cross
Heading: Income tax charge, rates etc.