



Information leaflet on personal tax rate changes Tax Year 2023/2024

Introduction

On 11 July 2023, in the Parliamentary Budget session, the Chief Minister announced a reduction of 1% of all tax rates under both the Allowance Based System (ABS) and the Gross Income Based System (GIBS) for any person having gross assessable income less than £100,000. This is effective for the tax year 23/24 (1 July 2023 to 30 June 2024).

There is no reduction in the rates for any person that has gross assessable income of £100,000 or higher.

How this can affect you?

It is imperative that you understand these changes since they may impact you.

This is particularly relevant if your gross salary is supplemented by way of overtime, bonuses or other similar variable payments that add to your total remuneration from your employment.

If you are close to the threshold of £100,000, the payment of these amounts can push you over this limit taxing you at a higher rate. In such circumstances, you should ensure that your employer is withholding tax in accordance with the relevant tax tables and also you should be aware that you may have a tax liability at time of assessment given that your earnings are considered across the entire tax year.

Tax bandings

The new bandings are as follows:

1. Individuals who earn a gross salary of less than £100,000 and have opted to be taxed under the **Allowances Based System (ABS)** will pay tax on their taxable income (assessable income less allowances) at the following rates:

the first £4,000 of taxable income @ 15%
the next £12,000 of taxable income @ 18%
balance @ 40%

2. Individuals who earn a gross salary of £100,000 or higher and have opted to be taxed under the **Allowances Based System (ABS)** will pay tax on their taxable income (assessable income less allowances) at the following rates:

the first £4,000 of taxable income @ 16%
the next £12,000 of taxable income @ 19%



balance @ 41%

3. Individuals who have opted to be taxed under the **Gross Income Based System (GIBS)** will pay tax on their assessable income at the following rates:

(a) Individuals with gross assessable income not exceeding £25,000:

the first £10,000 of assessable income @ 7%

the next £7,000 @ 21%

balance @ 29%

(b) Individuals with gross assessable income exceeding £25,000 but less than £100,000:

the first £17,000 of assessable income @ 17%

the next £8,000 @ 20%

the next £15,000 @ 26%

balance @ 29%

(c) Individuals with gross assessable income of £100,000 or higher:

the first £17,000 of assessable income @ 18%

the next £8,000 @ 21%

the next £15,000 @ 27%

the next £65,000 @ 30%

balance @ 27%

Tax tables

In order to mitigate against potential effects of an under-deduction of tax at source, our tax tables have been revised. These have now been split in-line with the various bandings noted above. These are available to download [here](#).

The revised list of available tables and when you should use them is attached.

TAX TABLES

FOR USE IN THE 2023/2024 TAX YEAR

ALLOWANCE BASED SYSTEM

Gross assessable income under £100,000

WHEN TO USE

Daily Part 1 Codes 1 to 18

Daily Part 1 Codes 19 to 36

Daily Part 1 Codes 37 to 52

- If gross earnings less than £100,000.
- Taxed under the ABS.
- Paid **daily**.
- Have a valid tax code issued within the range indicated.

Weekly Part 1 Codes 1 to 18

Weekly Part 1 Codes 19 to 36

Weekly Part 1 Codes 37 to 52

- If gross earnings less than £100,000.
- Taxed under the ABS.
- Paid **weekly**.
- Have a valid tax code issued within the range indicated.

Monthly Part 1 Codes 1 to 18

Monthly Part 1 Codes 19 to 36

Monthly Part 1 Codes 37 to 52

- If gross earnings less than £100,000.
- Taxed under the ABS.
- Paid **monthly**.
- Have a valid tax code issued within the range indicated.

Annual Part 1 Codes 1 to 18

Annual Part 1 Codes 19 to 36

Annual Part 1 Codes 37 to 52

- If gross earnings less than £100,000.
- Taxed under the ABS.
- Paid **annually**.
- Have a valid tax code issued within the range indicated.

Gross assessable income of £100,000 or higher

WHEN TO USE

Daily Part 1 Codes 1 to 18

Daily Part 1 Codes 19 to 36

Daily Part 1 Codes 37 to 52

- If earning £100,000 or higher.
- Taxed under the ABS.
- Paid **daily**.
- Have a valid tax code issued within the range indicated.



| | |
|---|---|
| <p>Weekly Part 1 Codes 1 to 18 Weekly Part 1 Codes 19 to 36 Weekly Part 1 Codes 37 to 52</p> | <ul style="list-style-type: none"> • If earning £100,000 or higher. • Taxed under the ABS. • Paid weekly. • Have a valid tax code issued within the range indicated. |
| <p>Gross assessable income of £100,000 or higher WHEN TO USE</p> | |
| <p>Monthly Part 1 Codes 1 to 18 Monthly Part 1 Codes 19 to 36 Monthly Part 1 Codes 37 to 52</p> | <ul style="list-style-type: none"> • If earning £100,000 or higher. • Taxed under the ABS. • Paid monthly. • Have a valid tax code issued within the range indicated. |
| <p>Annual Part 1 Codes 1 to 18 Annual Part 1 Codes 19 to 36 Annual Part 1 Codes 37 to 52</p> | <ul style="list-style-type: none"> • If earning £100,000 or higher. • Taxed under the ABS. • Paid annually. • Have a valid tax code issued within the range indicated. |
| <p>GROSS INCOME BASED SYSTEM</p> | |
| <p>Gross assessable income under £25,000 WHEN TO USE</p> | |
| <p>Daily</p> | <ul style="list-style-type: none"> • If earning under £25,000. • Taxed under the GIBS. • Paid daily. |
| <p>Weekly</p> | <ul style="list-style-type: none"> • If earning under £25,000. • Taxed under the GIBS. • Paid weekly. |
| <p>Monthly</p> | <ul style="list-style-type: none"> • If earning under £25,000. • Taxed under the GIBS. • Paid monthly. |
| <p>Annual</p> | <ul style="list-style-type: none"> • If earning under £25,000. • Taxed under the GIBS. • Paid annually. |



| Gross assessable income higher than £25,000 but less than £100,000 | | WHEN TO USE |
|---|--|--------------------|
| Daily | <ul style="list-style-type: none">• If earning more than £25,000 but less than £100,000.• Taxed under the GIBS.• Paid daily. | |
| Weekly | <ul style="list-style-type: none">• If earning more than £25,000 but less than £100,000.• Taxed under the GIBS.• Paid weekly. | |
| Monthly | <ul style="list-style-type: none">• If earning more than £25,000 but less than £100,000.• Taxed under the GIBS.• Paid monthly. | |
| Annual | <ul style="list-style-type: none">• If earning more than £25,000 but less than £100,000.• Taxed under the GIBS.• Paid annually. | |
| Gross assessable income of £100,000 or higher | | WHEN TO USE |
| Daily | <ul style="list-style-type: none">• If earning £100,000 or higher.• Taxed under the GIBS.• Paid daily. | |
| Weekly | <ul style="list-style-type: none">• If earning £100,000 or higher.• Taxed under the GIBS.• Paid weekly. | |
| Monthly | <ul style="list-style-type: none">• If earning £100,000 or higher.• Taxed under the GIBS.• Paid monthly. | |
| Annual | <ul style="list-style-type: none">• If earning £100,000 or higher.• Taxed under the GIBS.• Paid annually. | |