Cranleys
CHARTERED ACCOUNTANTS

CRANLEYS' CLEVER CHECKLISTS · No. 02 · PERSONAL TAX

Scottish and Welsh Income Tax Checklist 2026/27

Tick it, print it, pin it up. Every box you cannot tick is a conversation worth having.



By Colin Davison FCA, Managing Partner, Cranleys Chartered Accountants. In practice since 1998. Reviewed 15 November 2026 against the 2026/27 rules.

THE QUICK ANSWER

Scottish taxpayers pay Scottish rates on earnings, pensions and profits, but UK rates on savings and dividends. Wales uses the same bands as England at 10p Welsh rates. Check your status, your code, your pension relief claim, and which bands apply before you file.

THE KEY FIGURES

Scottish band 2026/27	Rate	Income (after the allowance)
Starter	19%	£12,571 to £16,537
Basic	20%	£16,538 to £29,526
Intermediate	21%	£29,527 to £43,662
Higher	42%	£43,663 to £75,000
Advanced	45%	£75,001 to £125,140
Top	48%	above £125,140

Cranleys is a trading style of Cranleys Partnership LLP, registered in England OC358781. Winton House, Winton Square, Basingstoke RG21 8EN · 01256 830000 · www.cranleys.online

The checklist, box by box

	The check	What to do	Keep as evidence
☐	**Are you a Scottish taxpayer?**	It turns on where your main home is for most of the tax year, not where your employer sits. If you have two homes, how many days you spend in each matters.	Address history, tenancy or mortgage, council tax bills
☐	**Is the Scottish code applied?**	Scottish taxpayers should have an S code and Welsh taxpayers a C code. No letter means you may be taxed on the wrong bands.	Coding notice, payslip
☐	**Are Scottish bands used, not English bands?**	Scottish rates only apply to non-savings, non-dividend income. Savings and dividends use UK rates.	Self Assessment calculation
☐	**Is Welsh status checked?**	Welsh income tax is set at 10p so the bill matches England today, but the status still needs to be right on the return.	Residence evidence, C code
☐	**Is the personal allowance still UK wide?**	Yes. £12,570 and the £100,000 taper apply across the UK. Only bands and rates differ.	HMRC calculation
☐	**Is pension tax relief claimed at your rate?**	Relief at source gives 20%. Scottish taxpayers paying 21% to 48% claim the extra through the return.	Pension statements, return
☐	**Did a move change your status mid year?**	Status is for the whole tax year. A move in the year changes next year, not this one, unless you spend more days elsewhere.	Move date, travel and home records



MY PRO TIP

your employer's postcode does not decide your tax. Your home does.

A worked example

Employee with £65,000 salary. Scottish tax is £15,282. English tax on the same salary is £13,432. The Scottish taxpayer pays about £1,850 more. National Insurance is identical. At £28,000, the position reverses and the Scottish taxpayer pays less, because the basic and intermediate bands were widened by 7.4% for 2026/27.

The trap to avoid

Assuming English bands because your employer is in England. If your main home is in Scotland, HMRC charges Scottish rates. Fixing it later means a bill plus interest.

Test your accountant

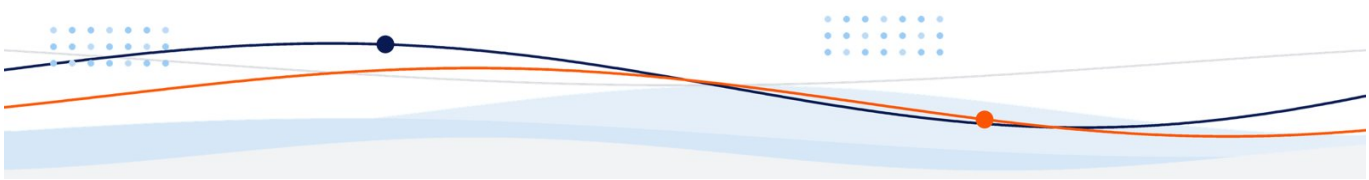
One question that tells you if you have the right adviser:

Which bands did you apply to my pension and my profits, and did you claim the extra pension relief at my Scottish rate?

What has changed recently

- For 2026/27, the Scottish starter and basic bands widened by 7.4%. The higher, advanced and top thresholds are frozen.
- The Scottish Budget for 2027/28 is due on 3 December 2026, so these figures can change again.
- UK rates apply to your savings and dividends wherever you live. See the savings and dividends checklist.

Questions I get asked



Cranleys is a trading style of Cranleys Partnership LLP, registered in England OC358781. Winton House, Winton Square, Basingstoke RG21 8EN · 01256 830000 · www.cranleys.online

What are the Scottish income tax rates for 2026/27?

There are six: 19%, 20%, 21%, 42%, 45% and 48%. The starter band runs to £16,537 and the higher rate starts at £43,663.

Do Scottish taxpayers pay more tax than English ones?

It depends on income. Lower and middle earners often pay a little less, while those above roughly £43,662 usually pay more. At £65,000 the Scottish taxpayer pays about £1,850 more.

Do Scottish rates apply to dividends and savings?

No. Savings and dividend income use the UK rates and allowances. Only earnings, pensions, profits and rental income of a Scottish taxpayer use the Scottish bands.

What is the Welsh rate of income tax?

The Welsh rate is currently 10p across each band, which gives the same result as English bands. The Senedd can change it, so a Welsh taxpayer still needs the C code.

The 9 CAD Keys link: Consistency

Consistency means the same facts reach HMRC every time. Your home, your code and your return should all tell the same story about where you live.

Colin's 9 CAD Keys. CORE: Clarity, Capability, Consistency. ADVANCED: Analysis & Positioning, Alignment, Acceleration. DYNAMIC: Differentiation, Dexterity, Development. Score each key 1 to 5 in the free Business Value Assessment Scorecard, total out of 45. *Freedom is built. One CAD Key at a time.*

Tick these next

Tax checklist 01
Income Tax and Personal Allowance Checklist 2026/27

Tax checklist 03
National Insurance Checklist 2026/27

Tax checklist 06
Pensions Checklist 2026/27: Allowances and Tax Relief

Go deeper: my books

For this topic, start with **Business Tax Secrets**, part of The Cranleys Business and Tax Secrets Series: Property Tax Secrets, Inheritance Tax Secrets, Business Tax Secrets, Starting Up Secrets, Business Growth Secrets and Business Exit Secrets. The books are launching soon. Join the launch list at cranleys.online/books and I will tell you the moment each one is released.

YOUR NEXT STEP

Ring me. Free draft plan, no hard sell.

I will build you a free draft tax plan or business plan on my 9 CAD Keys: a scorecard, a 12-month cashflow forecast, a 90-day action plan and a review with me. **1** Get in touch. **2** Short intro call. **3** Your free draft plan in plain English. You decide what happens next.

A thistle by any other name still pays Scottish rates. Tick the boxes.

WhatsApp 07999 900000 | **Office** 01256 830000
Email colin.davison@cranleys.co.uk
Web cranleys.online

Scan to read online, tick it on screen and take the Scorecard



General information on UK tax only, not advice for your specific circumstances. Tax rules change. Free draft plans are offered at my discretion and subject to availability; putting a plan into effect is chargeable. Cranleys is a trading style of Cranleys Partnership LLP, registered in England and Wales (OC358781). Registered office: Winton House, Winton Square, Basingstoke RG21 8EN. © Colin Davison FCA, Cranleys Chartered Accountants.

