

Tax Matters

Isle of Man tax guide
2023/2024



www.pwc.com/im

Income tax

Allowances	2023/24 (£)	2022/23 (£)
Single person	14,500	14,500
Married couple/civil partners (combined)	29,000	29,000
Blind person's addition	2,900	2,900
Single parent's addition	6,400	6,400
Disabled person's addition	2,900	2,900
Co-habiting couple's maximum addition	6,400	6,400
Aged addition	Nil	Nil
Non-resident's personal allowance	Nil	Nil
War Pensions Mobility Supplement	2,900	2,900

* The personal allowance will be reduced by £1 for every £2 that a person's total income is above £100,000 (£200,000 for jointly assessed couples).

Reliefs	2023/24 (£)	2022/23 (£)
Interest paid to Manx residents lenders (maximum)*	5,000	5,000
Covenanted educational payments*	5,500	5,500
Charitable donations*	7,000	7,000
Charitable donations by a company	15,000	15,000
Nursing expenses*	12,500	12,500

* Tax relief is restricted to 10% of the amount paid and in respect of educational deeds of covenant is restricted to payments made under covenants that have been entered into on or before 5 April 2011 and where the student is in qualifying full time education at that date.

Rates

Individuals	Rate (%)	2023/24 (£)	2022/23 (£)
Single person*	10	Up to 6,500	Up to 6,500
	20	Above 6,500	Above 6,500
Married couple/ civil partners*	10	Up to 13,000	Up to 13,000
	20	Above 13,000	Above 13,000
Non resident	20	All	All

*Subject to an irrevocable Tax Cap election being made, individuals have the option to elect for a ten year period, with the five year election also remaining available. The maximum income tax liability for an individual who has made the election is £200,000, or £400,000 for a jointly assessed couple. For any five year Tax Cap elections which commenced up to and including the 2019/20 tax years, the amount charged for each year is the value of the Tax Cap applicable in the first tax year covered by the election.

Companies	2023/24 rate (%)	2022/23 rate (%)
Banking business	0/10	0/10
Income from IOM land and property	20	20
Retail business*	0/10	0/10
Other	0	0

* Retail businesses with taxable profits of over £500,000 are subject to tax at 10%, those with taxable profits below that level are subject to tax at 0%.

Value Added Tax

- Standard rate 20%.
- Lower rates of 0% or 5% apply in certain circumstances.
- Registration threshold from 1 April 2023 £85,000 (2022 - £85,000).

There are no inheritance, wealth, gift, death, capital gains, or insurance premium taxes or stamp duties in the Isle of Man.

National Insurance Contributions*

Class 1A: Employee**	2023/24 (%)	2022/23 (%)
Earnings bracket (weekly) up to £145	Nil	Nil
£145.01 to £864	11	11
over £864	1	1

Class 1B: Employer**	2023/24 (%)
Earnings bracket (weekly) up to £123	Nil
over £123	12.8

Classes 2 and 3	2023/24 (£)	2022/23 (£)
Class 2 (self employed flat rate)		
Per week	5.70	5.40
Small earnings exception (year)	7,540	7,176
Class 3 (voluntary)		
Per week	17.45	15.85

Class 4 (self employed)	(%)
2023/24	
up to £7,540	0
£7,540 to £44,928	8
over £44,928	1
2022/23	
up to £7,176	0
£7,176.01 to £42,796	8
over £42,796	1

* Standard rates are shown. These figures may alter if an employee elects to contract out.

** Class 1A and 1B contributions are not charged in the IoM.

Benefits in Kind

Car benefit - 2023/24	Car Rate (£)	Fuel rate (£)
Electric cars (not hybrid)	Nil	Nil
Cylinder capacity:		
1,000 or less	800	800
1,001 - 1,200	1,100	950
1,201 - 1,800	3,600	1,500
1,801 - 2,500	5,000	1,750
2,501 - 3,500	7,000	2,000
3,501 - 5,000	10,000	2,250
More than 5,000	12,000	2,500

Note: These rates are unchanged from 2022/23.

Other Taxable benefits	Taxable amount
Accommodation	Cash equivalent
Use of an asset	20% of market value (or cost to employer if higher)
Other	Cost to employer

Chargeable benefits with an aggregate value of under £600 for the year are exempt from tax.

Exempt benefits

- Accommodation used solely for duties of employment.
- Approved Profit Sharing or Savings Related Share Options Schemes.
- Car Parking space at or near place of work.
- Medical/dental insurance.
- Christmas party expenses up to £100 per head.
- Provision of a personal computer for use at home up to benefit value of £1,000.
- Nursery or crèche facility expenses necessary for employees to attend work.
- Bicycle and related safety equipment provided under a cycle to work scheme up to an annual maximum value of £1,200.

Company fees and duties

	£
Incorporation fees	
Standard - within 48 hours	100
2 hour incorporation	250
While you wait incorporation	500
Annual filing fees*	
Standard	380
Excepted companies and LLCs	95

*Increased fees apply where returns are filed late.

Personal Pensions and Retirement Annuities

Flexible pension options exist via either of two common types of IoM scheme, being a Self-Invested Personal Pension (SIPP) and the Pension Freedom Scheme (PFS).

A comparison of the key features of the two types of scheme is below:

	Self Administered Personal Pension	Pension Freedom Scheme
Maximum annual contribution	£50,000	£50,000
Minimum age for receiving benefits	50 or 55	55
Tax free lump sum	Up to 30%	Up to 40%
Tax treatment of payments in excess of the tax free lump sum	ITIP (with treaty relief if applicable)*	ITIP (with treaty relief if applicable)
Transfers from current IoM scheme to a PFS	10% charge withheld at source from transfers out of the PFS	10% charge withheld at source from transfers into the PFS
Amount charged on residue paid out on death	7.5% if scheme is not drawn down	Nil

*Income restricted based on published limits.

Capital Allowances

Rates 2023/24 and 2022/23	Rate (%)
Plant & Machinery	
first year allowance	100
writing down allowance	25
Industrial Buildings & Structures	
first year allowance	100
writing down allowance	4
Agricultural Buildings	
first year allowance	100
writing down allowance	10
Tourist Premises	
first year allowance	100
writing down allowance	10

For a motor car a first year allowance/writing down allowance of 25% may be claimed each year up to a maximum of £3,000 per annum.

Your PwC contacts



Ferran Munoz-Lopez
Partner

+44 (0) 1624 689 687
ferran.munoz-lopez@pwc.com



Nicola Jackson
Senior Manager

+44 (0) 1624 689461
nicola.jackson@pwc.com

 pwcisleofman  @pwc_iom  /pwcisleofman  pwc_isleofman

PricewaterhouseCoopers LLC

Sixty Circular Road, Douglas, Isle of Man, IM1 1SA

T: +44 (0) 1624 689689 W: www.pwc.com/im

About us

PwC Isle of Man is a leading professional services firm that builds trust and delivers sustained outcomes for our clients across assurance, advisory and tax.

We're a locally owned and controlled partnership in Douglas, with over 25 years' on-island experience, more than 100 staff and 17 Partners/Directors.

Combining local expertise with the power of our global network of over 360,000 people in 151 countries, we deliver human-led and tech-powered solutions to local and international business challenges.

The information contained herein is only a general guideline and should not be used for determining a tax liability or planning a tax investment strategy. Specific advice pertaining to your particular circumstances should be obtained in all cases.

© 2023 PricewaterhouseCoopers LLC, an Isle of Man limited liability company. All rights reserved. PwC refers to the Isle of Man member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.