ACCA TX-UK computation pro formas for 2025/26

Use these layouts for TX-UK exams from June 2026 up to and including June 2027, which test the Finance Act 2025 (tax year 2025/26). The exam gives you the tax rates and allowances. These pages show you the order to use them in.

Income tax pro forma

Set up three columns: non-savings income, savings income and dividends.

1. Employment income: salary and taxable benefits, less your own occupational pension contributions. Employer pension contributions are exempt.
2. Trading profit, property income and other non-savings income.
3. Savings income: bank and building society interest. ISA interest is exempt.
4. Dividends.
5. Total income, less any reliefs, gives net income.
6. Personal allowance: £12,570, cut by £1 for every £2 of adjusted net income over £100,000. Set it against non-savings income first.
7. Taxable income in each column.
8. Tax non-savings income at 20%, 40% and 45%.
9. Tax savings income: up to £5,000 starting rate band if non-savings income is low, then the savings allowance (£1,000 basic rate, £500 higher rate, nil additional rate), then the remaining band.
10. Tax dividends: £500 at 0%, then 8.75%, 33.75% or 39.35%.
11. Add up to find the income tax liability, then deduct tax already paid (such as PAYE) to find tax payable.

Capital gains tax pro forma

1. Work out each gain: proceeds less costs of sale, less cost and allowable expenditure.
2. Apply reliefs: private residence relief, gift holdover relief, rollover relief.
3. Tax gains qualifying for business asset disposal relief at 14%. They use the remaining basic rate band first.
4. Deduct the £3,000 annual exempt amount from the other gains, the ones taxed at 24% first.
5. Tax other gains at 18% within any basic rate band still left, and 24% above it.
6. Add up to find the CGT liability.

Corporation tax pro forma

1. Tax-adjusted trading profit before capital allowances.
2. Less capital allowances (separate working).
3. Add interest income, property income and chargeable gains.
4. Taxable total profits.
5. Add dividends from companies outside the group to find augmented profits.

6. Limits: £50,000 and £250,000 for 12 months. Divide by the number of related 51% group companies plus one, and time-apportion for a short period.
7. Up to the lower limit: 19%. Over the upper limit: 25%.
8. In between: 25% of taxable total profits, less marginal relief of 3/200 × (upper limit augmented profits) × taxable total profits ÷ augmented profits.

Capital allowances working

1. Annual investment allowance on plant and machinery, up to £1,000,000. Not available on cars.
2. Companies only: full expensing (100%) on new and unused main pool plant.
3. Main pool: value brought forward, add additions not covered above (including cars with emissions of 1 to 50 g/km), less disposal proceeds (never more than cost). Writing down allowance at 18%.
4. Special rate pool: cars over 50 g/km, writing down allowance at 6%.
5. New zero-emission cars: 100% first-year allowance.
6. Sole traders only: an asset with private use goes in its own column. Deduct the full allowance from its value, and claim only the business share.

Checklist before you submit

- Every figure has a label, on its own line.
- No computation sits in a single spreadsheet cell.
- Exempt items are shown as nil, not left out without comment.
- Salaries or profit shares that changed during the year are time-apportioned.
- Group holdings are multiplied through (80% × 90% = 72%).
- The annual exempt amount has been deducted.
- The corporation tax limits have been divided for related 51% group companies.