HMRC - IPT07855 - Rates Of Tax

Rates of tax

1 October 1994 - IPT introduced at single rate of 2.5%.

1 April 1997 standard rate increased to 4%. Higher rate introduced at 17.5% on certain types of insurance sold in specified circumstances to cover motor vehicles, domestic appliances and travel.

1 August 1998 - higher rate extended to all travel insurance, regardless of provider.

1 July 1999 - standard rate increased to 5%.

4 January 2011 - standard rate increased to 6%, higher rate increased to 20%.

1 November 2015 - standard rate increased to 9.5%.

1 October 2016 - standard rate increased to 10%

1 June 2017 - standard rate increased to 12%.

Tax fractions

The fractions for extracting IPT from a tax inclusive premium are:

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