



# Tax Matters

**Isle of Man tax guide**

**2025/2026**



# Income tax

| Allowances                                | 2025/26 (£) | 2024/25 (£) |
|---|-------------|-------------|
| Single person*                            | 14,750      | 14,500      |
| Married couple/civil partners (combined)* | 29,500      | 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   | 2025/26 (£) | 2024/25 (£) |
|---|-------------|-------------|
| 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 2025/26 (%) | 2025/26 (£)                  | Rate 2024/25 (%) | 2024/25 (£)                  |
|--------------------------------|------------------|------------------------------|------------------|------------------------------|
| Single person*                 | 10<br>21         | Up to 6,500<br>Above 6,500   | 10<br>22         | Up to 6,500<br>Above 6,500   |
| Married couple/civil partners* | 10<br>21         | Up to 13,000<br>Above 13,000 | 10<br>22         | Up to 13,000<br>Above 13,000 |
| Non resident                   | 21               | All                          | 22               | 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 £220,000, or £440,000 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                                 | Rate 2025/26 (%) | Rate 2024/25 (%) |
|---|------------------|------------------|
| Banking business*                         | 10/15            | 10/15            |
| Income from Isle of Man land and property | 20               | 20               |
| Retail business**                         | 10/15            | 10/15            |
| Petroleum extraction                      | 20               | 20               |
| Other                                     | 0                | 0                |
| Global Minimum Tax (Pillar II)***         | 15               | -                |

\*15% rate only applicable where the corporate taxpayer has, within the meaning of the OECD's Global Anti-Base Erosion Model Rules, an ultimate parent entity or intermediate parent entity located in a jurisdiction that has implemented an IIR for fiscal years commencing on or after a date that is no later than 1 January 2024. \*\*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%. \*\*\* A qualified Domestic Minimum Top-Up Tax (DTUT) and an Income Inclusion Rule (MTUT) for 15% taxation for fiscal years commencing on or after 1 January 2025 for MNE Groups.

## Value Added Tax

- Standard rate 20%.
- Lower rates of 0% or 5% apply in certain circumstances.
- Registration threshold from 1 April 2025 £90,000 (2024 - £90,000).

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

## National Insurance Contributions

| Class 1: Employee                    | 2025/26 (%) | 2024/25 (%) |
|--------------------------------------|-------------|-------------|
| Earnings bracket (weekly) up to £168 | Nil         | Nil         |
| £168 to £1,032                       | 11          | 11          |
| Over £1,032                          | 1           | 1           |

| Class 1: Employer                    | 2025/26 (%) | 2024/25 (%) |
|--------------------------------------|-------------|-------------|
| Earnings bracket (weekly) up to £168 | Nil         | Nil         |
| Over £168                            | 12.8        | 12.8        |

| Classes 2 and 3                            | 2025/26 (£) | 2024/25 (£) |
|--|-------------|-------------|
| Class 2 (self employed flat rate) per week | 6.45        | 6.20        |
| Small earnings exception (year)            | 8,736       | 8,320       |
| Class 3 (voluntary) per week               | 19.70       | 18.95       |

| Class 4 (self employed) | (%) |
|-------------------------|-----|
| <b>2025/26</b>          |     |
| Up to £8,736            | 0   |
| £8,736 to £53,664       | 8   |
| Over £53,664            | 1   |
| <b>2024/25</b>          |     |
| Up to £8,320            | 0   |
| £8,320 to £48,776       | 8   |
| Over £48,776            | 1   |

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

## Benefits in Kind

In line with the Treasury's commitment to make changes to benefits, particularly in the area of family support and state pensions, there have been a number of notable changes to benefits as follows:

### Child Benefit

Child Benefit qualifying income thresholds have risen by £10,000 to a maximum of £90,000.

| Above-inflation increases                   | 2025/26          |
|---|------------------|
| Nursing Care Contribution                   | + 5.3%           |
| Maternity, Paternity and Adoption Allowance | + 3.5%           |
| Winter Bonus helping vulnerable individuals | £400             |
| Basic State Pension                         | £176.45 per week |
| Manx State Pension                          | £251.30 per week |

**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

|                              | (£) |
|------------------------------|-----|
| <b>Incorporation fees</b>    |     |
| Standard – within 48 hours   | 100 |
| 2 hour incorporation         | 250 |
| While you wait incorporation | 500 |
| <b>Annual filing fees*</b>   |     |
| 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 Isle of Man 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 Isle of Man 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   |

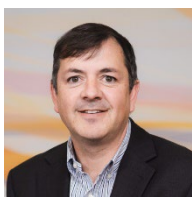
\*With treaty relief if applicable. Income restricted based on published limits.

## Capital Allowances

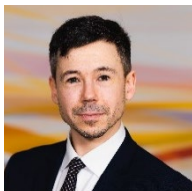
| Rates 2025/26 and 2024/25                    | Rate (%) |
|--|----------|
| <b>Plant &amp; Machinery</b>                 |          |
| First year allowance                         | 100      |
| Writing down allowance                       | 25       |
| <b>Industrial Buildings &amp; Structures</b> |          |
| First year allowance                         | 100      |
| Writing down allowance                       | 4        |
| <b>Agricultural Buildings</b>                |          |
| First year allowance                         | 100      |
| Writing down allowance                       | 10       |
| <b>Tourist Premises</b>                      |          |
| 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.

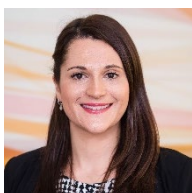
## Key contacts

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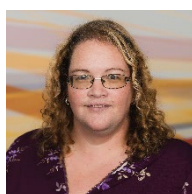
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# Tax Matters

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