

ACCA

Applied Skills

**Taxation (TX-UK)
(Finance Act 2025)**

EXAM KIT

For June 2026 to June 2027 examination sittings

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Acknowledgements

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INTRODUCTION

All TX exams have been computer-based exams (CBEs) from the June 2019 sitting, if you would like further information on sitting a CBE TX examination please contact either Kaplan or the ACCA.

As a result of changes to the TX exam format over time, many past exam questions in their original format are not representative of current TX examination questions. The questions contained in this exam kit are therefore based on past exam questions but it has been necessary to adapt some of them to ensure that they are representative of questions in the examinations. The adaptations have been made to reflect the new style of exam, new legislative changes in recent Finance Acts, Tax law changes and IFRS® Standards terminology. We have also included new topics brought into the syllabus in some questions.

Many of the questions within the kit are past ACCA exam questions, and the more recent questions (from 2005) are labelled as such in the index. Note that if a question within this kit has been adapted or changed in any way from the original version, this is indicated in the end column of the index below with the mark (A).

Also included are the marking schemes for past ACCA examination questions to assist you in understanding where marks are earned and the amount of time to spend on particular tasks. Note that if a question has been changed from the original version, it will have also been necessary to change the original ACCA marking scheme. Therefore, if a question is marked as 'ADAPTED' you should assume that this also applies to the marking scheme.

A number of questions included in the exam kit are referenced to two examination sittings e.g. March/June 2024. This is as a result of a change in policy made by the ACCA regarding the release of examination questions. Previously, examinations were released in their entirety. The ACCA now release a selection of questions from the March/June and September/December examinations. Therefore, questions referenced as such are taken from the sample released by the ACCA.

KEY TO THE INDEX

ANSWER ENHANCEMENTS

We have added the following enhancements to the answers in this exam kit:



Key answer tips

All section C answers include key answer tips to help your understanding of each question.



Tutorial note

Most answers include tutorial notes to explain some of the technical points in more detail.



Tutor's top tips

For selected questions, we 'walk through the answer' giving guidance on how to approach the questions with helpful 'tips from a top tutor', together with technical tutor notes.

These answers are indicated with the 'footsteps' icon in the index.










Within the questions in the exam kit you will see the following icons, shown in the section C question requirements:

 = word processing

 = spreadsheet

The icons highlighting the constructed response workspace tool alongside some of the questions are for guidance only – it is important to recognise that each question is different and that the answer space provided by ACCA in the exam is determined by both the technical content of the question as well as the quality assurance processes ACCA undertakes to ensure the student is provided with the most appropriate type of workspace.

PRACTICE INCOME TAX AND NATIONAL INSURANCE QUESTIONS

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ANALYSIS OF PAST EXAMS

The table below summarises the key topics that have been tested in recent exams.

Key:

- Q The question references are to the number of the question in this edition of the exam kit.
- ✓ Refers to questions which have not been included in the kit due to similarity to other recent questions.

	Mar/Jun 2021	Sep/Dec 2021	Mar/Jun 2022	Sep/Dec 2022	June 2023	Sep/Dec 2023	Mar/Jun 2024	Sep/Dec 2024
Principles of taxation/Ethics								
Tax avoidance vs evasion		Q115						
Income tax								
Basic income tax computation	Q112 Q117	Q115 Q123	Q99 Q111	✓	Q100	Q103 Q106	Q107 Q110	Q101
Savings income			Q99	✓				Q212
Dividend income	Q112		Q111	✓	Q100	Q103 Q106	Q107	Q101 Q212
Child benefit tax charge		Q123						
Reduction of PA	Q112		Q111					
Property income	Q117							Q101
Exempt income							Q110	
Residence								
Qualifying interest								
Gift aid		Q123				Q103		
Employed individual								
Salary and bonus	Q112 Q117	Q115	Q99 Q111	✓	Q100 Q116	Q103 Q106 Q268	Q107 Q110	Q101
Exempt benefits	Q117		Q99	✓	Q116			Q101
Car and fuel benefit	Q117		Q99	✓		Q103 Q106		
Living accommodation	Q117	Q123			Q116			Q101
Beneficial loan					Q116			Q101
Use/gift of assets			Q99				Q110	
Mileage allowance				✓	Q116	Q103 Q106	Q110	
Professional subscriptions				✓				
PAYE system			Q99	✓			Q110	

Section 1

PRACTICE INCOME TAX AND NATIONAL INSURANCE QUESTIONS

PRACTICE SECTION A OBJECTIVE TEST QUESTIONS

INCOME TAX BASICS AND EMPLOYMENT INCOME

- 1 Said has made a number of investments during the tax year.

Tick the appropriate box to show which of the following investments will generate taxable income and which will generate exempt income.

	Taxable	Exempt
£400 in shares in the company he works for		
£1,000 in an Individual Savings Account		
£800 in a NS&I investment account		
£500 purchasing a NS&I certificate		

- 2 **Identify, by ticking the appropriate box, the treatment of each of the following forms of savings income.**

	Taxable	Exempt
NS&I investment account interest		
Gilt edged security interest		
NS&I savings certificate interest		

3 June 2015 OT question

Samuel is planning to leave the UK to live overseas, having always previously been resident in the UK. He will not automatically be treated as either resident in the UK or not resident in the UK. Samuel has several ties with the UK and will need to visit the UK for 60 days each tax year. However, he wants to be not resident after he leaves the UK.

For the first two tax years after leaving the UK, what is the maximum number of ties which Samuel could keep with the UK without being treated as resident in the UK?

- A One
- B Four
- C Two
- D Three

4 March 2019 OT question

Hana was UK resident in the tax year 2024/25. He worked full time in Egypt in the tax year 2025/26.

What is the maximum number of days which Hana can spend in the UK and be treated as automatically not resident in the UK for the tax year 2025/26?

- A 15
- B 45
- C 90
- D 182

5 September/December 2021 OT question

Ella arrived in the UK to work as a nanny on 1 February 2025. She has never previously visited the UK.

Ella lived with a family, for whom she did substantive, but not full-time work, until 31 August 2025.

On 1 September 2025 Ella left the UK to attend university in another country.

As a result of this visit to the UK, Ella stayed in the UK for 65 days during the tax year 2024/25 and 148 days during the tax year 2025/26. For these two tax years, Ella was neither automatically not resident in the UK nor automatically resident.

What is Ella's UK residency status for each of the tax years 2024/25 and 2025/26?

- A Resident in both years
- B Not resident in either year
- C Resident in 2024/25 but not in 2025/26
- D Resident in 2025/26 but not in 2024/25

6 December 2016 OT question

Which of the following will NOT cause Harper to be treated as automatically UK resident for the tax year 2025/26?

- A Harper spending 192 days in the UK during the tax year 2025/26
- B Harper renting a house in the UK to live in and then occupying it (as her only home) throughout the tax year 2025/26
- C Harper accepting a 15-month contract for a full-time job in the UK on 6 April 2025
- D Harper's husband living in the UK throughout the tax year 2025/26 and Harper staying with him when she visits the UK

7 September 2016 OT question

Identify, by ticking the appropriate box, whether or not the following two individuals satisfy or do not satisfy the tests to be treated as automatically not resident in the UK for the tax year 2025/26.

Eric, who has never previously been resident in the UK, was in the UK for 40 days during the tax year 2025/26.

Fran, who was resident in the UK for the two tax years prior to the tax year 2025/26. In the tax year 2025/26, she was in the UK for 18 days.

	Satisfies	Does not satisfy
Eric		
Fran		

8 March 2020 OT question

Dane and Zara are a married couple.

They jointly own a residential property which is let to tenants. In the tax year 2025/26 the property business income from the property is £20,000. Dane owns 25% of the property and Zara owns the other 75%. No election has been made in relation to the ownership of the property.

Zara earns employment income of £85,000 and Dane receives £2,252 of child benefit in the tax year 2025/26. Dane has no other income.

Which TWO of the following statements are true in relation to Zara's income tax liability for the tax year 2025/26?

- A Zara's taxable income is £82,430
- B Zara can reduce her income tax liability by claiming the transferable personal allowance (the "marriage allowance")
- C It would be beneficial to Zara if the couple were to make a joint election to HM Revenue & Customs (HMRC) specifying their actual ownership share in the residential property
- D A child benefit charge of £2,252 will be added to Zara's income tax liability