



The Autumn Budget 2025

26th November 2025



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Introduction

The Chancellor of the Exchequer, Rachel Reeves came to Parliament to deliver her most talked about second Budget since Labour came into power, with the backdrop of the Office of Budget Responsibility having inadvertently released the Budget report half an hour earlier.

The Chancellor's stated aim with this Budget was "Cutting the cost of living, cutting NHS waiting lists and cutting the cost of debt".

Stated below are some of the main announcements which have come out of this Budget.

Income Tax Allowance + Rate Bands

Please be aware that since 1999 the Scottish Parliament started to have tax raising powers. Nowadays, it can vary the tax rates and thresholds of Non-Savings, Non-Dividend income for Scottish taxpayers. The differential between Scotland and the rest of the UK in this respect has grown quite significantly as demonstrated by the chart below. This makes things even more complicated for Scottish taxpayers when looking at carrying out any legitimate form of tax planning. The Scottish Budget is set for 13th January 2026.

The Wales Act 2014 gave the National Assembly of Wales the first taste of tax raising powers and, like Scotland, they too can vary the tax rates in respect of Welsh resident taxpayers as regards Non-Savings and Non-Dividend income. However, to date they have continued to set income tax rates in line with those announced by the UK Government. The Welsh Budget is expected to take place on 20th January 2026.

The Income Tax Personal Allowance and all other elements of the Income Tax system remain part of the Chancellor's responsibility.

UK Tax Rates 2026/27 (except Scotland)

Band name	Taxable income	2026/27	2025/26
Personal allowance	£0 to £12,570	0%	0%
Basic rate	£12,571 to £50,270	20%	20%
Higher rate	£50,271 to £125,140	40%	40%
Additional rate	Over £125,140	45%	45%

Scottish tax rates 2025/26 re non-savings, non-dividend income – 2026/27 rates to be announced 13 January 2026

Band Name	Taxable income	2025/26
Personal allowance	£0 to £12,570	0%
Starter rate	£12,571 to £15,397	19%
Scottish basic rate	£15,398 to £27,491	20%
Intermediate rate	£27,492 to £43,662	21%
Advanced rate	£43,663 to £75,000	42%
Higher rate	£75,001 to £125,140	45%
Top rate	Over £125,140	48%

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Taking account of forthcoming tax changes to savings income and property income, the income tax ordering rules will be changed from April 2027 so that the Personal Allowance will be deducted against employment, trading or pension income first.

Savings Income

Tax on savings income will increase by 2% across all rate bands from April 2027. The basic rate will rise from 20% to 22%, the higher rate from 40% to 42%, and the additional rate from 45% to 47% from April 2027.

If your taxable income, not from savings or dividends, is less than £17,570 the Government provides a Starting Rate for Savings, which is a 0% tax rate that allows individuals to receive up to £5,000 of interest tax free.

Most UK taxpayers are entitled to a Personal Savings Allowance. Basic Rate taxpayers can receive £1,000 of interest without paying tax, and Higher Rate taxpayers can receive £500 without paying tax.

UK Savings Tax Rates

Band name	Taxable income	2027/28	2026/27	2025/26
Basic rate	£12,571 to £50,270	22%	20%	20%
Higher rate	£50,271 to £125,140	42%	40%	40%
Additional rate	Over £125,140	47%	45%	45%

Rental Property

- The government is creating separate tax rates for property income.
- From April 2027, the property basic rate will be 22%, the property higher rate will be 42% and the property additional rate will be 47% for England, and Northern Ireland. Scotland and Wales will be able to choose their own property income rates.
- Finance cost relief will be provided at the separate property basic rate (22%).
- Property income of less than £1,000 does not need to be reported to HMRC and is tax free.
- The Government also provides the Rent a Room Scheme, which lets individuals earn up to a threshold of £7,500 per year tax free from letting out furnished accommodation in their home.

UK Property Income Tax Rates (Scotland and Wales may set different rates)

Band name	Taxable income	2027/28	2026/27	2025/26
Basic rate	£12,571 to £50,270	22%	20%	20%
Higher rate	£50,271 to £125,140	42%	40%	40%
Additional rate	Over £125,140	47%	45%	45%

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Quick tip

If you are a sole trader or property landlord and your turnover (pre expenses) exceeds £50,000 during the 2024/25 tax year you may need to be Making Tax Digital for Income Tax (MTD) compliant from April 2026 which will require quarterly reporting. If you are both a sole trader and a property landlord then you aggregate the two turnovers together when applying the £50,000 threshold. Are you ready for this? If not we can help.

Options to consider to avoid having to be MTD compliant might be creating a partnership or incorporating the business.

National Insurance

The employers National Insurance contributions on earnings will remain at 15% from April 2026 as will the Employers Secondary Threshold trigger point at £5,000.

The Employment Allowance (EA) is a Government initiative that allows eligible employers to reduce their National Insurance liability. From April 2026 the EA will remain at £10,500.

2026/27 National Insurance rates

National insurance (NI)	2026/27
Class 1 NI employees – earnings between £12,570 - £50,270	8%
Class 1 NI employees – earnings in excess of £50,270	2%
Class 1 NI employers – earnings in excess of £5,000	15%
Class 1A Benefits in kind	15%
Class 1B NI PAYE settlement agreements	15%
Class 4 NI self-employed – Profits between £12,570 - £50,270	6%
Class 4 NI self-employed earnings in excess of £50,270	2%
Voluntary Class 2 NI	£3.65 per week
Voluntary Class 3 NI	£18.40 per week

Quick tip

If you have more than one employment you may pay too much employees national insurance. HM Revenue & Customs can request the second employer to operate a lower rate to ensure the correct amount is paid. Refunds may be possible if national insurance has been overpaid in earlier years.

Dividends

- The zero rate tax dividend threshold will remain at £500 from 6th April 2026.
- With the exception of the additional rate, the tax on dividends will increase by 2% from April 2026.

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Band	2025/26	2026/27
Dividend ordinary rate	8.75%	10.75%
Dividend upper rate	33.75%	35.75%
Dividend additional rate	39.35%	39.35%

Quick tip

With the dividend zero rate threshold at only £500 (2025/26), is it worthwhile transferring some shares to a spouse/civil partner to maximise it. Do you have control over when a dividend can be paid out? If so have you made use of the £500 zero rate threshold for this tax year?

Capital Gains Tax (CGT)

- The rate of CGT for Business Asset Disposal Relief and Investors' Relief is increasing from 14% to 18% for disposals made on or after 6 April 2026.
- No changes will be made to the 18% and 24% rates of Capital Gains Tax that apply to residential property gains.
- If transferring a business to a company a claim for incorporation relief will need to be made by the transferor in their Self-Assessment return for the tax year in which the transfer took place.
- Claimants will be asked to provide brief details of the transaction, the tax computations and type of business transferred.
- The Capital Gains Tax rates for 2026/27 are:

UK CGT Rates

Status	Residential property	Other Asset (except carried interest)
Individual	18%/24%	18%/24%
Personal Representatives	24%	24%
Certain Trusts	24%	18%/24%*

*If the Trust asset disposed of has been used in the beneficiary's business, the gain may attract a 18% CGT rate

- There is no change as regards the Capital Gains Tax annual exemption.

UK CGT Annual Exemption

Tax Year	Individuals/PR *	Trustees**
2025/26	£3,000	£1,500
2026/27	£3,000	£1,500

*Note - the AE is only available to PRs for 2 tax years following the tax year in which the Deceased died.

** Note – the AE is divided equally between the number of Trusts set up by the Settlor (the AE is presently capped at £300 per Trust if 5 or more, or 10 or more if for the benefit of a disabled person),

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Quick tips

*Before you sell an asset, such as shares or property for example, come and speak to us, as there may be planning that can be carried out prior to the sale to mitigate the capital gains tax hit?
Remember, if you are a UK resident taxpayer and sell a UK residential property, which could trigger off a gain liable to capital gains tax (CGT), to avoid penalties from arising, you need to complete a CGT Return within 60 days of completion and pay the tax over within the same time frame.*

Quick tip

If a Trust distributes an asset out to a beneficiary and incurs an inheritance tax (IHT) exit charge as a result of doing so, and the beneficiary subsequently sells the asset for a taxable gain they may be able to reduce the gain by the IHT exit charge.

Quick tips

Where you are in receipt of income or gains from overseas, Tax Treaties between the UK and that particular country may mitigate or wipe out the potential UK tax liability arising on it. In some cases where either the treaty does not cover that particular source of income or gains or the UK does not have a tax treaty with that country, you may be able to claim unilateral relief to mitigate your UK tax liability.

Some UK tax treaties, such as with India, Pakistan and USA can potentially even mitigate a deceased's estate UK inheritance tax position.

Annual Tax on Enveloped Dwellings (ATED)

- The ATED annual charges for those property companies liable to pay it remains as it will increase by 3.8% from 1 April 2026.

Property Value	2025/26	2026/27
£500,001 to £1m	£4,450	£4,600
£1,000,001 to £2m	£9,150	£9,450
£2,000,001 to £5m	£31,050	£32,200
£5,000,001 to £10m	£72,700	£75,450
£10,000,001 to £20m	£145,950	£151,450
Over £20m	£292,350	£303,450

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Employee Ownership Trusts (EOTs)

- From 26th November 2025 where the conditions for relief on disposal of shares to the EOTs are met 50% of the gain will be liable to capital gains tax (CGT). Previously 0% of the gain was liable to CGT.
- Business Asset Disposal Relief and Investors' Relief will not be available in respect of that gain.
- The remaining 50% of the gain will be held over and deducted from the trustees' acquisition cost, so that it will come into charge on any subsequent disposal or deemed disposal of the shares by the trustees.

Quick tip

If you are thinking of exiting your business within the next five years there are a number of options open to you. Planning of this ilk should start early. Please do not hesitate to contact us if you want to look at the various options and the impact of each one.

Quick tip

If an inheritance tax (IHT) charge was suffered by a Trust or the settlor of the Trust when an asset was settled into it, and the Trust sells the asset for a taxable gain remember to reduce the gain by the IHT charge.

High Income Child Benefit Charge (HICBC)

- The individual's High Income Child Benefit Charge (HICBC) adjusted net income threshold will remain at £60,000.
- For individuals with income between £60,000 and £80,000, the rate at which HICBC is charged is halved, and will equal one per cent for every £200 of income that is more than £60,000.

Quick tips

Did you claim child benefit (CB) before May 2000? The Government have admitted that CB claimants before May 2000 may have lost out on some of their state pension entitlement. This could affect those already in receipt of state pension, deceased estates and those yet to reach state pension age. Each year of error could cost the individual up to £358 (2026/27 tax year figures) per annum in lost state pension entitlement. You may want to check to see if it affects you or your loved ones.

Quick tips

If you have a child under the age of 12 and register for child benefit you will automatically receive a parent's state pension credit for each year. If you have a family member who helps you with childcare support whilst you are at work and has a gap in their own national insurance records, you may be able to elect to transfer your state pension credit to them. You can claim from 2011/12 tax year onwards.

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Quick tips

If you are a single parent or divorced or widowed and a new partner subsequently moves in with you, depending upon their level of income, you may find that they may get hit for the high income child benefit charge. You may want to forewarn them about that.

Quick tips

If you have separated from your spouse or partner, with the intention for it to be a permanent separation, or if you divorce, then it is important to revisit the child benefit claim. Failure to do so could result in you being hit for the HICBC even though the child may not be living with you.

Pensions

- From April 2029, the amount that is exempt from National Insurance contributions (NIC) will be capped at £2,000 a year for employee contributions made via salary sacrifice.
- Employees, as well as employers, will pay NICs on the amount above £2,000 for employee contributions through salary sacrifice.
- Contributions through salary sacrifice, like all pension contributions, will still be exempt from Income Tax (subject to the usual limits).
- The annual pension allowance will remain at £60,000 for 2026/27.
- The money purchase annual allowance will remain at £10,000.
- The minimum Tapered Annual Allowance will remain at £10,000 for individuals whose adjusted income for the year is £260,000 or more.
- The pension tax free lump sum remains the lower of 25% of the pension value or £268,275.

Quick tip

If you are a member of a UK registered pension scheme who is thinking of leaving the UK, you may want to consider topping up your pension scheme in the tax year in which you leave the UK in order to maximise your UK tax relief and enhance your pension provision. This should be done in conjunction with your accountant and a suitably qualified IFA.

One option to consider when wanting to help your children/grandchildren for the future is to contribute up to £2,880 into a stakeholder pension scheme each year. The government will top that up to £3,600. It could help with your inheritance tax position as well.

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Individual Savings Account (ISA)

- The £20,000 cash ISA contribution limit will continue to apply for people aged 65 or over.
- Aged under 65 cash ISA limit will fall to £12,000 from April 2027.
- Stocks and shares ISA limit will remain at £20,000.
- Junior ISAs will remain unchanged at £9,000 until April 2030.
- Lifetime ISAs will remain unchanged at £4,000 until April 2030.
- Child Trust Funds will remain unchanged at £9,000 until April 2030.

Help To Save Scheme

- The scheme is a type of savings account for people on low income.
- Presently you can open an account if you are receiving Universal Credit and you had take-home pay of £1 or more in your last monthly assessment period.
- You can earn 2 tax-free bonuses over 4 years from the Government of up to £1,200 in total.
- This scheme was due to come to an end in April 2027 but is now to be made permanent.
- The government is expanding the Help to Save scheme to Universal Credit claimants who receive either the caring element or the child element.

State Pension (SP)

- Under the triple lock, SP rises in line with the highest of average earnings (between May and July 2025), inflation (September 2025) or 2.5%.
- The highest figure was the increase in the average earnings between May and July 2025.
- The SP will increase by 4.8% from April 2026.
- The weekly full state pension will increase from £230.25 to £241.30 from April 2026.
- If you live and/or work abroad from 6th April 2026, you'll no longer be able to pay voluntary Class 2 National Insurance contributions for time spent abroad.
- Only voluntary Class 3 contributions will be available for tax years 2026/2027 onwards.
- This change does not affect any voluntary contributions that can be paid for periods abroad before 6 April 2026.
- New applications to pay voluntary Class 3 National Insurance contributions will need applicants to have either lived in the UK for 10 years in a row or paid at least 10 years of National Insurance contributions while in the UK.

Quick tip

Consider making voluntary national insurance contributions to fill gap years in your state pension history for the prior 6 years. For the two previous tax years you pay the original voluntary Class 3 national insurance rate for those tax years. For the four years prior to that you pay the current Class 3 rate. Each additional year could result in an extra £358 state pension (based upon 2026/27 figures) on an annual basis.

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Inheritance Tax (IHT)

- The IHT rate will remain at 40% and the Chancellor has frozen the £325,000 IHT Nil Rate Band and the £175,000 Residence Nil Rate Band (RNRB) until April 2031.
- The commencement of the tapering off of the RNRB will remain at £2 million.
- An Infected Blood Compensation payment which has been made in respect of an infected or affected person who has already died, will be IHT exempt on the death of the first living recipient of the compensation payment.
- This includes payments made before 26 November 2026.
- The £1 million agricultural property/business property relief allowance each eligible person will be entitled to, which comes into effect from April 2026, can be transferred between spouses and civil partners on first death. The £1 million limit will be deemed to be available in full if first death is prior to 6 April 2026 and second death occurs afterwards.

Quick tip

If a person who gifted a business asset away dies within 7 years of making the gift and that triggers an inheritance tax (IHT) charge, and the recipient of the gift subsequently sells the asset for a taxable gain, they may be able to reduce the gain by the IHT charge incurred.

Quick tips

Did the deceased gift an asset away within 7 years prior to death but the value of it was lower at the time of death? Normally the market value at the date of the gift comes back into the deceased's estate for inheritance tax purposes. However if the value was less at the time of death you can make a loss relief claim and use that value instead to mitigate the inheritance tax burden.

High Value Council Tax Surcharge (HVCTS)

- The HVCTS is a new charge on owners of residential property in England worth £2 million or more in 2026, taking effect in April 2028.
- A public consultation on details relating to the surcharge will be held in early 2026.
- Homeowners, rather than occupiers, will be liable to the surcharge and will continue to pay their existing Council Tax alongside the surcharge.
- The Valuation Office will conduct a targeted valuation exercise to identify properties above £2 million and therefore in scope. Revaluations will be conducted every five years.
- The HVCTS will be administered alongside existing Council Tax by local authorities, who will collect this revenue on behalf of central government.

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Threshold (£)	Rate (£)
£2 million to £2.5 million	£2,500
£2.5 million to £3.5 million	£3,500
£3.5 million to £5 million	£5,000
£5 million+	£7,500

Taxation of company cars

- Appropriate percentages for zero emission and electric vehicles will increase by 2% per tax year in 2028/29 and 2029/30, rising to an appropriate percentage of 9% in tax year 2029/30.
- Appropriate percentages for all cars with emissions of 1 to 50g of CO₂ per kilometre, including hybrid vehicles, will rise to 18% in tax year 2028/29 and 19% in tax year 2029/30.
- Appropriate percentages for all other vehicle bands will increase by 1 percentage point per year in tax years 2028/29 and 2029/30. This will be to a maximum appropriate percentage of 38% for tax year 2028/29 and 39% for tax year 2029/30.
- The government is introducing a temporary easement to mitigate the increasing benefit in kind tax liabilities of plug-in hybrid electric vehicle (PHEV) company cars due to new emission standards.
- The easement will apply retrospectively from 1 January 2025 to 5 April 2028. Transitional arrangements will apply to certain PHEVs until 5 April 2031.
- During the easement period, the CO₂ emission figure for certain PHEVs will be deemed to be a nominal figure for the purposes of the benefit in kind charge rather than the CO₂ figure on the registration document.
- This will have the effect of reducing the value of the benefit-in-kind charge that applies.
- Vehicles provided through Employee Car Ownership Scheme (ECOS) will be deemed as taxable benefits from 6 April 2030.
- Transitional arrangements will apply for employees still in schemes established prior to that date.
- They will be able to use the previous treatment, until either the arrangement changes, is renewed, or until April 2032.

Quick tip

Before considering whether to buy or lease a car through the company or do so personally, why not have a review of the tax and national insurance impact on both you and the company before reaching that decision.

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Electric and Plug-in Hybrid Cars

- An electric Vehicle Excise Duty (eVED) will come into effect from April 2028 for electric and plug-in hybrid cars.
- The rate of tax will be 3 pence per mile for fully electric cars and 1.5p per mile for plug-in hybrid cars.
- Car drivers will pay for the miles they drive alongside paying their usual road tax (VED).
- The intention is that motorists will estimate their mileage for the year ahead, pay an upfront charge based on their estimate or spread their payment across the year, and then submit their actual mileage at the end of the year to trigger a reconciliation.
- Motorists will have their mileage checked annually, typically during their MOT as is already the case, or for new cars, around their first and second registration anniversary.
- A consultation will be held until 18th March 2026 to discuss the proposed implementation process.
- £2bn support for the electric vehicle (EV) transition and 10 year 100% business rates relief for eligible changepoints and EV-only forecourts.

Gambling Duty

- From April 2026 Remote Gaming Duty will increase from 21% to 40%.
- From April 2027 a new Remote Betting Rate within General Betting Duty set at 25% will be introduced.
- Remote UK horseracing bets will not be subject to the new rate and will remain taxed at 15%.
- Bingo Duty will be abolished from April 2026.
- There will be no further changes to any other gambling duties.

Tax Avoidance

- With effect from the date of Royal Assent new powers will introduce a ban on promoting avoidance arrangements that have no realistic prospect of success.
- Instead of applying to the courts, HMRC will be able to issue disclosure of tax avoidance scheme penalties.
- HMRC will also be able to issue promoter action notices which require businesses providing goods and services to promoters to stop
- HMRC will be able to issue anti-avoidance information notices which allow them to effectively investigate promoter organisations and identify the responsible individuals, with penalties and criminal offences for those who are non-compliant.
- HMRC will be able to publish details of legal professionals promoting schemes in more circumstances.

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Quick tip

A charity or Community Amateur Sports Club may be able to claim 25% on cash or contactless card donations of £30 or less up to a maximum of £2,000 in relief, without the need to keep individual donor records under the Gift Aid Small Donation Scheme.

Corporation Tax

- The corporation tax rates for those companies who do not make profits from oil extraction or oil rights in the UK or UK continental shelf in respect of the financial year 2026 (starting 1st April 2026) remains as it was for the financial year 2025 (starting 1st April 2025). It is as follows:

Rates for corporation tax years starting 1st April

Rate	2026	2027
Small profits rate (Companies with profits under £50,000)	19%	19%
Main rate (Companies with profits over £250,000)	25%	25%
Marginal relief fraction (Companies with profits between £50,000 and £250,000)	3/200	3/200

- Companies who do not file returns at the required time for Corporation Tax (CT) will incur higher penalty charges.
- For filing dates from 1st April 2026, depending on when the return is filed and how often it is late, the penalties will range from £200 to £2,000.

Quick tip

There are a number of approved share option schemes, as well as the non-tax advantages share scheme arrangements, which should all be considered when looking at incentivising employees, before deciding which, if any, is appropriate for your business. There are pros and cons to each type of incentive arrangement, both for the employer and the employee.

Quick tips

New directors and members of Limited Liability Partnerships (LLPs) will now first have to verify their identity with Companies House. Existing (pre 18th November 2025) directors/LLP members will have a 12 month transition period to do so. Failure to carry out the verification process will prevent a person from operating as a director/LLP member. Fines and penalties could be imposed. If you want help with the verification process please do not hesitate to contact us.

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VAT

- The taxable turnover threshold for determining whether a business must register for VAT remains at £90,000 and the point at which a business can apply to deregister will also remain at £88,000.
- A new VAT relief will come in from 1st April 2026 to remove the requirement for businesses to account for VAT on eligible goods that are donated for onward donation or for use in the charity's non-business charitable activities.

Quick tip

If you are VAT registered and sell second-hand goods, works of art, antiques or collector items to non-VAT registered customers, either direct or through an auction, see if you are eligible to use one of the 3 VAT Margin Schemes. A potential win-win for both you and the customer.

Quick tip

If you are a partially exempt business for VAT purpose, you normally cannot claim the VAT input tax on costs attributable to any VAT exempt supplies that you make. However, if the total value of your exempt input tax is not more than £625 per month on average and it represents no more than 50% of your total VAT input tax then this can be recovered.

Customs Import Duty

- Currently, low value imports (LVIs) – goods with a value of £135 or less being imported into the UK – can claim a customs duty relief.
- The Chancellor announced the removal of the relief from March 2029 at the latest.
- A consultation which will run until 6th March 2026 to cover how the tariff should be applied, whether to apply an additional fee on LVIs to fund administration, and potential changes to VAT collection to reflect the new arrangements.

Capital Allowances

- This Budget has not changed the ability for companies to claim a 100% first year allowance (FYA) for main rate expenditure (known as Full Expensing) and 50% FYA for special rate expenditure. These allowances are only available to companies.
- The 100% Annual Investment Allowance deduction for expenditure incurred of up to £1 million in purchasing plant & machinery also remains in place.

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- The first-year allowances for zero-emission cars and for electric vehicle charge points has been extended a further 12 months to 31 March 2027 for Corporation Tax purposes and 5 April 2027 for Income Tax purposes.
- From April 2026 the rate of writing-down allowance on the main pool of plant and machinery will reduce from 18% to 14% per year.
- A new first-year allowance (FYA) of 40% for main rate expenditure will be introduced from April 2026 to encourage investment where existing FYAs are not available, such as for assets bought for leasing and by unincorporated businesses.

Quick tips

Did you let out property on a furnished holiday let basis prior to 6th April 2025? Do you continue to let out property? Is it worthwhile carrying out a capital allowances review for expenditure incurred prior to that date? Additional allowances found could reduce your tax liability not only in respect of the 2024/25 tax year but for tax years 2025/26 onwards.

Enterprise Investment Scheme (EIS) and Venture Capital Trusts (VCT)

- From 6th April 2026 the gross assets requirement that a company must not exceed for the EIS and VCT will be increased to £30 million (from £15 million) immediately before the issue of the shares or securities, and £35 million (from £16 million) immediately after the issue.
- The annual investment limit that companies can raise will increase to £10 million (from £5 million) and for knowledge-intensive companies to £20 million (from £10 million).
- The company's lifetime investment limit will increase to £24 million (from £12 million) and for knowledge-intensive companies to £40 million (from £20 million).
- The Income Tax relief that can be claimed by an individual investing in VCT is to be reduced to 20% from the current rate of 30%.

Research & Development (R&D) and Patent Box

- There are no changes to the R&D rules following the merger of the R&D tax relief scheme for small and medium-sized companies and the R&D expenditure credit (RDEC) used by large companies for accounting periods beginning on or after 1st April 2024.

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Quick tips

The R&D criteria is quite wide, and many eligible companies are missing out on it. You only have 6 months from the end of the accounting period in which R&D activity has occurred to make a claim, unless you have made a similar claim in the previous 3 years. If in doubt, ask for a free R&D check to see if a legitimate claim can be made.

Ignoring the cost of the land, where you have incurred the cost of acquiring a property which is used for R&D purposes, you may be entitled to a 100% first year allowance. Where the R&D part of the building represents 75% or more of it, the 100% applies to the full cost. If less than 75% it is apportioned.

National Minimum Wage (NMW) and National Living Wage (NLW)

- A reminder that the NMW and NLW are due to increase from the beginning of April 2026.

Age Group/Status	2025/26 rate per hour	2026/27 rate per hour
Worker 21 years+	£12.21	£12.71
Worker 18-20	£10.00	£10.85
Worker under 18	£7.55	£8.00
Apprentice	£7.55	£8.00

Accommodation offset £11.10

Quick tip

Businesses need to be careful that they do not fall foul of the NMW complex legislation as penalties can be exceedingly high. One should carry out a NMW review to ensure that the business is NMW compliant. Please do not hesitate to contact us if you require assistance.

Stamp Duty Land Tax (SDLT) – England & Northern Ireland

- A non-UK resident person will continue to pay an additional 2% SDLT on a UK property purchase.
- The SDLT surcharge on acquiring an interest, in excess of £40,000, in a second residential property remains at 5%.
- Corporate bodies purchasing residential property valued at more than £500,000 will continue to be charged SDLT at 17%, unless an applicable relief applies.
- The Devolved Parliaments of Wales and Scotland set their own land transaction tax rates.

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England + Northern Ireland SDLT residential rate

Property/Lease premium/Transfer value*	Since 1 st April 25**
Up to £125,000	Zero
£125,001 to £250,000	2%
£250,001 to £925,000	5%
£925,001 to £1,500,000	10%
Above £1,500,000	12%

*First time buyers relief no SDLT up to £300,000 then 5% between £300,000 and £500,000. If property is in excess of £500,000 then no relief due. **Non-UK resident person may have to pay an additional 2% SDLT surcharge

Wales residential Land Transaction Tax (LTT) 2025/26 rates

Property (freehold/leasehold) value	LTT rate
Up to £225,000	Zero
£225,001 to £400,000	6%
£400,001 to £750,000	7.5%
£750,001 to £1,500,000	10%
Over £1,500,000	12%

Scotland's residential Land & Buildings Transaction Tax (LBTT) 2025/26 rates

Property purchase value	LBTT rate
Up to £145,000*	Zero
£145,001 to £250,000	2%
£250,001 to £325,000	5%
£325,001 to £750,000	10%
Over £750,000	12%

*For first time buyers the zero rate band increases to £175,000

Quick tips

Don't forget that if you have incurred the 5% SDLT Surcharge (England and Northern Ireland) or the Welsh 5% Land Transaction Tax Higher Rate charge or the Scottish 8% Additional Dwellings Supplement, upon acquiring a new main residence but before having disposed of your previous one, then you may be able to claim a refund if you sell your old property within 36 months of purchasing the new one.

If you are buying 6 or more residential properties in a single transaction, you could apply the commercial rate of land taxes against the purchase price, rather than the residential rate. This may avoid the additional higher rate residential land taxes.

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Business Rates (England)

- Permanent lower business rates tax rates for over 750,000 retail, hospitality and leisure properties from April 2026.
- A £4.3 billion business rates support package will cap business rates bill increases for sectors hit hardest by revaluations from April 2026.

Visitor Levy (England)

- Mayors across England will be able to introduce a tourist tax in their area.
- This will be a charge on visitors staying overnight in hotels, B&Bs, guest houses and holiday lets.
- A public consultation on the specific details will run until 18th February 2026.
- The visitor levy will bring England in line with Scotland and Wales who are already introducing a tourist tax.

Quick tips

If you are a taxpayer, gift aid payments can enhance the donation to the charity by 25% and, subject to your circumstances, provide further tax relief to you of up to 25% (28% in Scotland) plus mitigate/avoid issues regarding the high income child benefit charge, loss of tax free personal allowances and the pension tax charge.

A regular error is where the 25% relief claimed by the charity exceeds the tax suffered by the donor. Where that occurs the donor is required to make an additional payment to HMRC to cover the shortfall in tax. Regularly review your gift aid standing orders/direct debits especially in circumstances where your taxable income has fallen e.g. retirement.

Landfill Tax

- The standard rate of landfill tax will increase to £130.75 per tonne (previously £126.15) from 1st April 2026.
- The lower rate of landfill tax will increase to £8.65 per tonne (previously £4.05) from 1st April 2026.

Quick tips

If pre 6th April 2025 you were deemed to be UK resident but non-UK domicile and you had at least once claimed the remittance basis, for the first 3 years tax years starting with 2025/26, you may be able to make an election under the temporary repatriation facility (TRF). This would result in a reduced UK tax rate being applied to foreign income and gains which arose pre that date that had not been remitted to the UK prior to 6th April 2025. The reduced tax rates would be 12% - 2025/26 and 2026/27 and 15% -2027/28. Income and gains designated under TRF to a particular tax year do not have to be actually remitted to the UK in that year.

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Soft Drinks Levy

- This levy, often referred to as the Sugar Tax, will be extended to cover more products.
- The charge will apply to prepackaged milk based and milk alternative drinks with added sugar such as milk shakes, flavoured milk and ready to drink coffees..
- The threshold is being lowered from 5g to 4.5g of sugar per 100ml.
- The change will come into play from 1st January 2028.

Quick tips

Charitable gift aid payments might not always be appropriate, especially for those people who are asset rich but taxable income poor. A person can gift assets to charity, such as shares, land and property, capital gains tax free plus, if they have some taxable income, obtain tax relief based upon the value of that gift. If your employer/pension scheme runs a payroll giving scheme you can make a charitable donation direct from your salary/pension whilst obtaining tax relief at source.

Stamp Duty Reserve Tax (SDRT)

- From 27th November 2025 there will be an exemption from the 0.5% SDRT charge on agreements to transfer securities of a company whose shares are newly listed on a UK regulated market.
- The exemption will apply for a 3-year period from the listing of the company's shares.

Fuel Duty

- Fuel duty frozen until September 2026.

Quick tips

If you are sadly going through a divorce or separation it is important to remember to revisit your will and reconsider your pension nominee as a result of the change in your circumstances.

Two Child Benefit Cap

- Under the current two-child limit, many low-income families do not receive further benefits when they have a third or subsequent child.

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- This will be scrapped from April 2026.

Quick tips

Child Trust Funds (CTFs) were designed as long term, tax-free savings accounts and were established with an initial government deposit of at least £250 for children born between 1 September 2002 and 2 January 2011. The child can take control of their CTF at 16 and then decide whether to withdraw the money or re-invest it at the age 18. HMRC state that 758,000 matured to date CTF accounts remain unclaimed and the average fund is worth more than £2,240. Matured CTFs can be found for free using the GOV.UK locator tool at tinyurl.com/CTFFinder using the child's National Insurance number and date of birth.

Further Announcements

- To help support aims to reduce waiting times, there will be an additional £1.5 billion capital investment into new surgical hubs and scanners, alongside £70 million for new radiotherapy machines.
- By 2035, every local area in England will have a one stop shop that will bring together GPs, nurses, pharmacists, diagnostic tests and hospital specialists.
- Around 250 will be needed, with some existing health clinics repurposed using public money.
- Where brand new clinics are needed, contracts could be signed with the private sector to build, run and manage them.
- Rail fares in England will be frozen for the first time in 30 years.
- The freeze will apply to all regulated fares, including season tickets, peak returns for commuters and off-peak returns between major cities.
- Prescription charges will remain frozen for 2026/27. A single prescription will continue to cost £9.90.
- Young people who have been out of a job or education for 18 months will be offered a guaranteed paid work placement.
- Those who do not take up the offer could face being stripped of their benefits.
- Household gas and electricity costs will be lowered through cuts to green levies on energy bills.
- From 6th April 2026 employees will no longer be able to claim tax relief on non-reimbursed homeworking expenses from HMRC.
- Alcohol Duty rates will increase by Retail Price Index inflation across all alcoholic product categories from 1st February 2026.
- From April 2027 pre-consumer waste as a source of recycled content will be removed for the purposes of the Plastic Packaging Tax (PPT).
- A mass balance approach (MBA) to account for chemically recycled plastic used to make plastic packaging for the purposes of the PPT will come in from 1 April 2027.

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- From 6th April 2026 the reimbursement by employers of costs for eye tests, home working equipment and flu vaccinations will be tax and NI exempt.

Quick tips

PAYE taxpayers who are only completing self-assessment (SA) tax returns in order to pay the high income child benefit charge can now opt out of the SA Return system and pay the charge through the PAYE system. They can do this by going on the Gov.UK website.

Quick tips

If you are coming to the UK or you are an ex-pat returning to the UK and have been non-UK resident for at least 10 consecutive tax years, you may be able to benefit from full UK tax relief on foreign income and gains that arise during your first 4 tax years in the country under the FIG regime which came into force from April 2025 onwards.

If you wish to discuss the Spring Statement or other issues

please do contact us on **0800 6520 025** or visit **www.thp.co.uk**