

AUTUMN BUDGET (30 October 2024) – Key Highlights

Overview

- Many possible changes were the subject of speculation leading up to the Budget: this list includes things that have been ruled out, as well as changes that the Chancellor announced
- These key points include measures that were announced previously but are about to come into force
- Measures which will not take effect until future dates are listed separately below

Implemented immediately

- Capital Gains Tax rates for disposals on or after 30 October 2024 rise from 10% to 18% (basic rate taxpayers) and 20% to 24% (higher rate taxpayers); the higher rate for residential property remains 24%
- Lifetime limit for gains qualifying for Investors' Relief is reduced from £10 million to £1 million for disposals on or after 30 October 2024
- Stamp Duty Land Tax surcharge for purchase of additional dwellings increased from 3% to 5% for purchases from 31 October 2024
- Rules tightened for close company loans to participators, transfers of UK pension funds abroad, Employee Ownership Trusts, Employment Benefit Trusts and liquidation of Limited Liability Partnerships to close loopholes from 30 October 2024

From January 2025

- Confirmation that VAT will apply to private school fees from 1 January 2025

From April 2025

- Increase in rate of Employer National Insurance Contributions (ERNIC) from 13.8% to 15%, together with reduction of Secondary Threshold from £9,100 to £5,000
- Increase in Employment Allowance for small businesses' ERNIC from £5,000 to £10,500 for 2025/26
- Certain 'double cab pickup vans' to be treated as cars for some tax purposes
- Extension until March 2026 of the 100% first year allowance for qualifying expenditure on zero-emission cars and charging points for electric vehicles
- Abolition of the remittance basis of taxation for foreign domiciled individuals, to be replaced by a 'residence-based scheme'
- CGT rate on disposals qualifying for Business Asset Disposal Relief increased from 10% to 14%
- CGT rate on 'carried interest' increased to 32%
- IHT Agricultural Property Relief to be extended to land managed under an environmental agreement with government or other approved bodies
- 40% business rates relief for retail, hospitality and leisure businesses for 2025-26 on values up to £110,000
- Charitable business rates relief no longer available for private schools
- Fuel duty remains frozen, and the temporary 5p cut announced in March 2024 will be extended to 22 March 2026
- Rate of interest on late paid tax will increase by 1.5 percentage points

- Security for certain tax reclaims increased by introduction of a requirement for a digital signature
- Above inflation increases in National Living Wage and State pension
- As previously announced, the advantageous tax treatment of Furnished Holiday Lettings no longer applies in 2025/26

From April 2026

- CGT rate on disposals qualifying for Business Asset Disposal Relief increased from 14% to 18%
- 'Carried interest' moved to the income tax regime, with a discount for certain qualifying disposals
- IHT Agricultural Property Relief and Business Property Relief at 100% will only apply to the first £1 million of combined value; above that limit, the maximum relief will be 50%
- IHT Business Property Relief restricted to 50% for all 'unlisted' shares which are quoted on recognised stock exchanges such as the Alternative Investment Market
- Tightening of rules on charitable tax reliefs and closure of an avoidance scheme involving company cars from 6 April 2026
- Confirmation of the introduction of Making Tax Digital for Income Tax Self-Assessment from April 2026

No change, or later

- Unused pension funds and death benefits payable from a pension will be included in a person's death estate for IHT purposes from 6 April 2027
- No changes to the ability to draw tax-free lump sums from pension funds, or reintroduction of a lifetime allowance
- The freezing of personal income tax allowances and rate bands will end with 2027/28: inflationary increases will be reintroduced for 2028/29
- Corporation tax rates appear to be fixed for the duration of the Parliament
- Inheritance tax nil rate bands will be frozen at their present levels until April 2030 (extended by two years from the previously announced date); no change to the availability of the additional Residence Nil Rate Band
- ISA and Junior ISA investment limits fixed at their current levels until April 2030
- Company car tax rates announced for 2028-29 and 2029-30, to provide long-term certainty; the incentives for purchasing electric vehicles will be maintained
- Previous Government's proposal to base High Income Child Benefit Charge on combined household income will not be taken forward – HICBC still based only on the income of the higher earner of a couple