

J C Accounting Ltd

Supporting Small Business Digitally

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A guide to the Autumn Budget 2024

The headline message from the Chancellor

The Chancellor delivered her long-awaited Budget highlighting reform of tax systems, public spending and tax increases, including Employers' NIC. As with previous Budgets we will see a number of consultations and further details shared over the next few weeks.

Key measures announced by the Chancellor in the Autumn Budget 2024 are summarised within this Guide.

KEY TAX RATES

Income tax rates: England, Wales & Northern Ireland (non-dividend income) (note 1)	2025/26	2024/25
0% starting rate for savings only	Up to £5,000	Up to £5,000
0% on personal allowance (subject to any clawback of PA)	£0 - £12,570	£0 - £12,570
20% basic rate tax	£12,571 - £50,270	£12,571 - £50,270
40% higher rate tax	£50,271 - £125,140	£50,271 - £125,140
45% additional rate tax	Above £125,140	Above £125,140
Scottish rates of income tax (non-dividend income) (note 2)		
0% on personal allowance (subject to any clawback of PA)	£0 - £12,570	£0 - £12,570
19% starting rate	£12,571 - £14,876	£12,571 - £14,876
20% basic rate tax	£14,877 - £26,561	£14,877 - £26,561
21% intermediate rate tax	£26,562 - £43,662	£26,562 - £43,662
42% higher rate tax	£43,663 - £75,000	£43,663 - £75,000
45% advanced rate	£75,001 - £125,140	£75,001 - £125,140
48% top rate (47% for 2023-24)	Above £125,140	Above £125,140
Income tax rates (dividend income)		
Dividend ordinary rate (for dividends within basic rate band)	8.75%	8.75%
Dividend upper rate (for dividends within higher rate band)	33.75%	33.75%
Dividend additional rate (for dividends above higher rate band)	39.35%	39.35%
Personal Allowances		
Personal allowance	£12,570	£12,570
Dividend allowance (no allowance for trustees)	£500	£500
Maximum married couple's allowance for those born before 6 April 1935 (note 5)	£11,270	£11,080
Married couple's allowance – minimum amount	£4,360	£4,280
Micro entrepreneur's allowance (property or trading income)	£1,000 each	£1,000 each
Income limit for personal allowance (note 6)	£100,000	£100,000
Income limit for married couple's allowance: born before 6 April 1935	£37,700	£37,000
Blind person's allowance	£3,130	£3,070
Rent-a-room relief	£7,500	£7,500
Transferable/shareable tax allowance for married couples and civil partners (note 7)	£1,260	£1,260
Personal savings allowance for basic rate taxpayers	£1,000	£1,000
Personal savings allowance for higher rate taxpayers	£500	£500
Personal savings allowance for additional rate taxpayers	£0	£0

National insurance	2025/26	2024/25
Lower earnings limit, primary class 1 (per week)	£125	£123
Upper earnings limit, primary class 1 (per week)	£967	£967
Apprentice upper secondary threshold (AUST) for under 21s/25s	£967	£967
Primary threshold (per week)	£242	£242
Secondary threshold (per week)	£96	£175
Employment allowance (per year/employer)	£10,500	£5,000
Employee's primary class 1 rate between primary threshold and upper earnings limit	8%	8%
Employee's primary class 1 rate above upper earnings limit	2%	2%
Married woman's reduced rate between primary threshold and upper earnings limit	1.85%	1.85%
Married woman's rate above upper earnings limit	2%	2%
Employer's secondary class 1 rate above secondary threshold	15%	13.8%
Class 2 small profits threshold (per year)	£6,845	£6,725
Class 2 lower profits threshold (per year)	£12,570	£12,570
Class 2 (where profits are below small profit threshold (voluntary per week))	£3.50	£3.45
Class 2 rate (per week where profits are above small profits threshold)	£0	£0
Class 3 voluntary rate (per week)	£17.75	£17.45
Class 4 lower profits limit	£12,570	£12,570
Class 4 upper profits limit	£50,270	£50,270
Class 4 rate between lower profits limit and upper profits limit	6%	6%
Class 4 rate above upper profits limit	2%	2%
Class 1A/1B NIC	15%	13.8%

BUSINESSES

Corporation tax

The corporate tax roadmap confirms the major features of the Corporation Tax regime for the duration of this Parliament including:

- capping the headline rate of Corporation Tax at 25%
- maintaining the Small Profits Rate and marginal relief at their current rates and thresholds
- maintaining permanent full expensing
- maintaining the £1m Annual Investment Allowance, writing down allowances, and the Structures and Buildings Allowance
- maintaining the rates for the merged R&D Expenditure Credit scheme and the Enhanced Support for R&D Intensive SMEs
- maintaining the Patent Box.

MTD

Making Tax Digital (MTD) for Income Tax will be extended to sole traders and landlords with income over £20,000 by the end of this Parliament. This expands the rollout of MTD for Income Tax, which is April 2026 for sole traders and landlords with income over £50,000 and April 2027 for those with income over £30,000.

Rates relief

Through 2025-26, the small business multiplier will be frozen, together with Small Business Rates Relief. Announced the intention to introduce permanently lower business rates multipliers for high street retail, hospitality and leisure properties (RHL) from 2026-27. The government intends to fund it through a higher multiplier for the most valuable properties.

IHT

IHT thresholds have been frozen until 2030. In addition, significant restrictions on agricultural and business property relief are proposed from April 2026. Unused pension funds and death benefits will be included in estates from April 2027.

CGT

Effective 30 October 2024, the main rates of Capital Gains Tax and carried interest will increase from 10% to 18% and from 20% to 24%. The rate for trustees and personal representatives will rise from 20% to 24%, while the existing rates for residential property (18% and 24%) will remain unchanged.

From 6 April 2025, the rate for Business Asset Disposal Relief and Investors' Relief will increase from 10% to 14%. This will further rise from 14% to 18% on 6 April 2026. The Investors' Relief lifetime limit will be reduced from £10m to £1m for qualifying disposals made on or after 30 October 2024.

Private equity managers will have to pay 32% tax on their carried interest gains from April 2025.

National Insurance and Employment allowance

From 6 April 2025, the rate of employer National Insurance Contributions (NICs) for Classes 1, 1A and 1B will rise by 1.2 percentage points to 15%.

The threshold at which employers start to pay NICs will decrease from £9,100 to £5,000 per year. The government will increase the Employment Allowance from £5,000 to £10,500 and remove the previous £100,000 threshold, making it available to all eligible employers.

Capital Allowances: Key Features to be Maintained

The government will maintain key features of the capital allowances regime, including full expensing with a 100% first-year allowance for qualifying new main rate plant and machinery, and a 50% first-year allowance for special rate machinery, making the UK the only major economy with permanent full expensing.

The **Annual Investment Allowance** will continue to offer 100% first-year relief for plant and machinery investments **up to £1m** for all businesses, including unincorporated ones. Writing down allowances will remain flexible, allowing businesses to choose which allowances to claim for main and special rate machinery.

Additionally, the **Structures and Buildings Allowance** will provide relief for capital expenditure on the purchase, construction, and renovation of new non-residential structures and buildings.

'Full expensing' deduction for leased assets

The Chancellor announced an intention to include full expensing tax relief on leased assets. The relief will enable businesses to be more efficient by leasing assets to nurture productivity by getting the newest, cleanest and most efficient plant and machinery into the hands of business owners. No timeline for the start of the relief has been announced and the relief is subject to draft legislation to be published.

VAT Thresholds

From 1 April 2024 the taxable turnover threshold which determines whether a person must be registered for VAT were increased from £85,000 to £90,000. The taxable turnover threshold which determines whether a person may apply for deregistration were increased from £83,000 to £88,000. No further changes were announced.

Furnished Holiday Lettings (FHL) regime abolished

The government will abolish the FHL tax regime, eliminating the tax advantage for landlords who let out short-term furnished holiday properties over those who let out residential properties to longer-term tenants. This will take effect from April 2025.

At present, landlords who use the furnished holiday lets regime can deduct the full cost of their mortgage interest payments from their rental income, are entitled to capital allowances on the furniture, pay lower capital gains tax (CGT) when they sell and are entitled to CGT rollover relief etc.

INDIVIDUALS

Income tax

Personal tax thresholds – ie personal allowance, basic and higher-rate thresholds for income tax remain frozen until April 2028 at the current level of £12,570 and £50,270. The additional rate threshold was reduced from £150,000 to £125,140 from 6 April 2023. The Chancellor did announce that the thresholds will be uprated by inflation from April 2028 onwards.

Personal allowance for higher rates from 2023/24

Where annual income exceeds £100,000, personal allowance is lost at a rate of £1 for every £2 of income above £100,000. This is the threshold where the entire personal allowance is lost.

The loss of the personal allowance means a person is taxed at 40% on the additional £2 of income, and they also pay an extra 40% on the £1 of personal allowance lost. This results in a marginal rate of 60%, which continues up to £125,140 (£100,000 + (£12,570 x 2)). At the £125,140 point the entire personal allowance is lost.

SDLT

From 31 October 2024 the Higher Rates for Additional Dwellings (HRAD) surcharge on Stamp Duty Land Tax (SDLT) will be increased by 2 percentage points from 3% to 5%.

Taxation of Employee Ownership Trusts and Employee Benefits Trusts

A package of reforms to the taxation of Employee Ownership Trusts and Employee Benefit Trusts will be legislated. These reforms will ensure that the regimes remain focused on encouraging employee ownership and rewarding employees, and to prevent opportunities for abuse. The changes will take effect from 30 October 2024.

Tax treatment of double cab pick-up vehicles

Following a Court of Appeal decision, the government will not introduce legislation to maintain the treatment of double cab pick-up vehicles with a payload of one tonne or more as goods vehicles. HMRC is updating guidance to clarify the position in respect of such vehicles which will be treated as cars for capital allowances, for benefits in kind and for some deductions from business profits. Transitional arrangements will also apply.

Annual uprating of the van benefit charge and the car and van fuel benefit charges for tax year 2025 to 2026

The increases to the van benefit charge and the car and van fuel benefit charges will use the September 2024 Consumer Prices Index (CPI).

The following new rates will come into effect from 6 April 2025:

- the van benefit charge will be £4,020 in tax year 2025 to 2026
- the van fuel benefit charge will be £769 in tax year 2025 to 2026
- the car fuel benefit charge multiplier will be £28,200 in tax year 2025 to 2026.

Taxation of company cars — the appropriate percentage for tax years 2028 to 2029 and 2029 to 2030

The government is setting company car tax rates for tax years 2028 to 2029 and 2029 to 2030:

- Appropriate percentages for zero emission and electric vehicles will increase by 2 percentage points per year in 2028 to 2029 and 2029 to 2030, rising to an appropriate percentage of 9% in tax year 2029 to 2030.
- 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 to 2029 and 19% in tax year 2029 to 2030.
- Appropriate percentages for all other vehicle bands will increase by 1 percentage point per year in tax years 2028 to 2029 and 2029 to 2030. This will be to a maximum appropriate percentage of 38% for tax year 2028 to 2029 and 39% for tax year 2029 to 2030.

Changes to the taxation of non-UK domiciled individuals

The government will introduce legislation in Finance Bill 2024-25, abolishing the remittance basis of taxation for non-UK domiciled individuals and replacing it with a residence-based regime, which will take effect from 6 April 2025.

Individuals who opt into the regime will not pay UK tax on foreign income and gains (FIG) for the first four years of tax residence. From 6 April 2025, the government will introduce a new residence-based system for Inheritance Tax.

OTHER

Additional resources for HMRC

The government is continuing to tackle tax non-compliance by making further investments, including in HMRC's capacity to collect tax debts. The government is building on strong actions at recent fiscal events, including measures to clamp down on promoters of tax avoidance, and is now going further to strengthen taxpayer protections, making it harder for bad actors to provide tax advice that could cause harm. The government is consulting both on options to strengthen the regulatory framework in the tax advice market, and on requiring tax advisers to register with HMRC if they wish to interact with HMRC on a client's behalf.

The government has also indicated it is investing in improving HMRC's customer services, providing the resource needed to meet performance targets, including answering 85% of phone calls where the taxpayer wants to speak to an adviser. The government will transform HMRC into a digital-first organisation, with a Digital Transformation Roadmap to be published in spring 2025.

October 2024

ACCA LEGAL NOTICE

This is a basic guide prepared by ACCA UK's Technical Advisory Service for members and their clients. It should not be used as a definitive guide since individual circumstances may vary. Specific advice should be obtained, where necessary.

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Autumn Budget 2024: tax rates and allowances

Income tax rates: England, Wales & Northern Ireland (non-dividend income) (note 1)	2025/26	2024/25
0% starting rate for savings only	Up to £5,000	Up to £5,000
0% on personal allowance (subject to any clawback of PA)	£0 - £12,570	£0 - £12,570
20% basic rate tax	£12,571 - £50,270	£12,571 - £50,270
40% higher rate tax	£50,271 - £125,140	£50,271 - £125,140
45% additional rate tax	Above £125,140	Above £125,140
<i>Note 1: The Welsh Government has made a commitment not to raise Welsh rates of income tax. Therefore, Welsh taxpayers will continue to pay the same rates as their English and Northern Irish counterparts. The income tax bands will remain frozen until tax year 2027-28. From April 2028, personal tax thresholds will be uprated in line with inflation.</i>		
Scottish rates of income tax (non-dividend income) (note 2)		
0% on personal allowance (subject to any clawback of PA)	£0 - £12,570	£0 - £12,570
19% starting rate	£12,571 - £14,876	£12,571 - £14,876
20% basic rate tax	£14,877 - £26,561	£14,877 - £26,561
21% intermediate rate tax	£26,562 - £43,662	£26,562 - £43,662
42% higher rate tax	£43,663 - £75,000	£43,663 - £75,000
45% advanced rate	£75,001 - £125,140	£75,001 - £125,140

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48% top rate (47% for 2023-24)	Above £125,140	Above £125,140
<i>Note 2: Scottish taxpayers pay the same tax as the rest of the UK on dividends and savings interest. The Scottish Government has announced that its 2024 Budget will be held on Wednesday 4 December 2024, and subject to final approval in February 2025.</i>		
Income tax rates (dividend income)	2025/26	2024/25
Dividend allowance	£500	£500
Dividend ordinary rate (for dividends within basic rate band)	8.75%	8.75%
Dividend upper rate (for dividends within higher rate band)	33.75%	33.75%
Dividend additional rate (for dividends above higher rate band)	39.35%	39.35%
Child benefit/guardian's allowance rates (notes 3 and 4)		
Higher rate (eldest or only child) (per week)	£26.05	£25.60
Other children	£17.25	£16.95
Guardian's allowance per week	£22.10	£21.75
<i>Note 3: from April 2024, the threshold for High Income Child Benefit Charge (HICBC) is increased to £60,000 (from £50,000) with the taper band extended to £80,000. Therefore, the charge reduces the financial benefit of receiving child benefit for those with 'adjusted net income' between £60,000 and £80,000. The benefit is removed completely for taxpayers with income above £80,000.</i>		
<i>Note 4: from January 2021, child benefit payments may be available in respect of children living overseas in certain countries only.</i>		
Personal allowances	2025/26	2024/25
Personal allowance	£12,570	£12,570
Dividend allowance (no allowance for trustees)	£500	£500
Maximum married couple's allowance for those born before 6 April 1935 (note 5)	£11,270	£11,080
Married couple's allowance – minimum amount	£4,360	£4,280

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Micro entrepreneur's allowance (property or trading income)	£1,000 each	£1,000 each
Income limit for personal allowance (note 6)	£100,000	£100,000
Income limit for married couple's allowance: born before 6 April 1935	£37,700	£37,000
Blind person's allowance	£3,130	£3,070
Rent-a-room relief	£7,500	£7,500
Transferable/shareable tax allowance for married couples and civil partners (note 7)	£1,260	£1,260
Personal savings allowance for basic rate taxpayers	£1,000	£1,000
Personal allowances	2025/26	2024/25
Personal savings allowance for higher rate taxpayers	£500	£500
Personal savings allowance for additional rate taxpayers	£0	£0
<i>Note 5: this allowance is reduced by £1 for every £2 of income in excess of the income limit, but married couple's allowance will not reduce below £4,360 for 2025/26 and £4,280 for 2024/25.</i>		
<i>Note 6: personal allowances are subject to the £100,000 income limit, which applies regardless of the individual's date of birth. The individual's personal allowance is reduced where their income is above this limit. The allowance is reduced by £1 for every £2 above the limit, down to zero.</i>		
<i>Note 7: this allowance is available to married couples and civil partners who are not in receipt of married couple's allowance. A spouse or civil partner who is not liable to income tax, or not liable at the higher or additional rates, can transfer this amount of their unused personal allowance to their spouse or civil partner. The recipient must not be liable to income tax at the higher or additional rates.</i>		
<i>If the couple marry or register a civil partnership, they will get the allowance on a pro-rata basis for the rest of that tax year. If one of them dies or there is a divorce or separation, the allowance continues until the end of the tax year.</i>		
National insurance	2025/26	2024/25
Lower earnings limit, primary class 1 (per week)	£125	£123
Upper earnings limit, primary class 1 (per week)	£967	£967
Apprentice upper secondary threshold (AUST) for under 21s/25s	£967	£967

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Primary threshold (per week)	£242	£242
Secondary threshold (per week)	£96	£175
Employment allowance (per year/employer)	£10,500	£5,000
Employee's primary class 1 rate between primary threshold and upper earnings limit	8%	8%
Employee's primary class 1 rate above upper earnings limit	2%	2%
Married woman's reduced rate between primary threshold and upper earnings limit	1.85%	1.85%
Married woman's rate above upper earnings limit	2%	2%
Employer's secondary class 1 rate above secondary threshold	15%	13.8%
Class 2 small profits threshold (per year)	£6,845	£6,725
Class 2 lower profits threshold (per year)	£12,570	£12,570
Class 2 (where profits are below small profit threshold (voluntary per week))	£3.50	£3.45
Class 2 rate (per week where profits are above small profits threshold)	£0	£0
Class 3 voluntary rate (per week)	£17.75	£17.45
Class 4 lower profits limit	£12,570	£12,570
National insurance	2025/26	2024/25
Class 4 upper profits limit	£50,270	£50,270
Class 4 rate between lower profits limit and upper profits limit	6%	6%
Class 4 rate above upper profits limit	2%	2%
Class 1A/1B NIC	15%	13.8%
Pensions	2025/26	2024/25
Annual allowance (note 8)	£60,000	£60,000
Money purchase annual allowance	£10,000	£10,000
Lump sum allowance	£268,275	£268,275

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Lump sum and death benefit allowance	£1,073,100	£1,073,100
Overseas transfer allowance	£1,073,100	£1,073,100
<i>Note 8: individuals with a high income have had a tapered annual allowance, where for every £2 of adjusted income over a threshold, an individual's annual allowance is reduced by £1. From April 2023, the annual allowance is £10,000 for individuals with total adjusted income (including pension accrual) over £260,000.</i>		
Reliefs and incentives	2025/26	2024/25
Enterprise Investment Scheme (EIS) – maximum (note 9)	£1,000,000	£1,000,000
Venture Capital Trust (VCT) – maximum	£200,000	£200,000
Seed Enterprise Investment Scheme (SEIS) – maximum (note 10)	£200,000	£200,000
Enterprise Management Incentive Scheme (EMI) – employee limit up to the value of £250,000 in a three-year period	£250,000	£250,000
Income tax relief on EIS schemes	30%	30%
Income tax relief on VCT schemes	30%	30%
Income tax relief on SEIS schemes	50%	50%
<i>Note 9: from 6 April 2018, the annual limit is doubled to £2m, provided that any amount over £1m is invested in one or more knowledge-intensive companies.</i>		
<i>Note 10: capital gains tax reinvestment relief may also be available for investments made up to 50% of the amount invested.</i>		
Individual Savings Account (ISA)	2025/26	2024/25
ISA (NISA) annual limit (note 11)	£20,000	£20,000
Junior ISA investment annual limit – under 18, living in the UK	£9,000	£9,000
Child Trust Fund annual limit	£9,000	£9,000
Lifetime ISA annual limit (note 12)	£4,000	£4,000
Individual Savings Account (ISA)	2025/26	2024/25
<i>Note 11: all ISA limits are frozen until 5 April 2030.</i>		

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Note 12: to open a Lifetime ISA, you must be 18 or over but under 40. Contributions can be made until the age of 50. The government will add a 25% bonus to the savings, up to a maximum of £1,000 per year. The lifetime ISA limit of £4,000 counts towards the annual ISA limit.

Capital gains tax	2025/26	2024/25
Basic rate individual tax payer (other than residential property and carried interest)	18%	10%
From 6 April 2024 to 29 October 2024		18%
From 30 October 2024 to 5 April 2025		
Higher rate taxpayer / Main rate for trustees and personal representatives (other than residential property and carried interest)	24%	20%
From 6 April 2024 to 29 October 2024		24%
From 30 October 2024 to 5 April 2025		
Rate on sale of residential property – basic rate taxpayer	18%	18%
Rate on sale of residential property – higher rate taxpayer, trustees and personal representatives	24%	24%
Rate on gains on carried interest – basic rate taxpayer	18%	18%
Rate on gains on carried interest – higher rate taxpayer, trustees and personal representatives	32%	28%
Annual exemption – individuals, personal representatives and trusts for disabled persons	£3,000	£3,000
Annual exemption – other trusts	£1,500	£1,500
Business Assets Disposal Relief lifetime limit	£1,000,000	£1,000,000
Investors' Relief lifetime limit	£1,000,000	
From 6 April 2024 to 29 October 2024		£10,000,000
From 30 October 2024 to 5 April 2025		£1,000,000
Business Assets Disposal Relief / Investors' rate (note 13)	14%	10%

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Chattels exemption	£6,000	£6,000
<i>Note 13: the business asset disposal relief and investors' relief will rise to 14% from 6 April 2025 and will match the main lower rate of 18% from 6 April 2026.</i>		
Inheritance tax	2025/26	2024/25
Single person's nil-rate band (note 14)	£325,000	£325,000
Single person's 40% band	over £325,000	over £325,000
Residence nil-rate band (RNRB) – maximum (note 15)	£175,000	£175,000
Reduced rate (note 16)	36%	36%
IHT rate (for chargeable lifetime transfers)	20%	20%
Married couples or civil partnerships allowance nil-rate band	£650,000	£650,000
Gifts to charities	Exempt	Exempt
Small gifts to same person	£250	£250
General gifts – annual exemption	£3,000	£3,000
Wedding gifts to children	£5,000	£5,000
Wedding gifts to grandchildren	£2,500	£2,500
Wedding gifts to any other person	£1,000	£1,000
<i>Note 14: all unspent pension pots will be brought into the scope of inheritance tax from April 2027.</i>		
<i>Note 15: the RNRB is available in respect of a main residence given away to children (including adopted, foster or stepchildren). Any unused nil-rate band transfers to the deceased's spouse or civil partner, even where death predates the availability of the additional threshold. It applies in addition to the existing nil-rate band (NRB) or threshold (currently £325,000) if the individual and estate meet the qualifying conditions. Inheritance tax nil-rate band and residence nil-rate band – thresholds are maintained at the current level until April 2028.</i>		
<i>Note 16: the estate can pay inheritance tax at a reduced rate of 36% on some assets if you leave 10% or more of the net value to charity in your will.</i>		
Business property relief	2025/26	2024/25

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Business or interest in a business and transfers of unquoted shareholdings (note 17)	100%	100%
<i>Note 17: from April 2026, agricultural property relief and business property relief are proposed to be restricted 100% for the first £1 million combined value and it will be 50% thereafter.</i>		
Taxation of trusts	2025/26	2024/25
<i>Accumulation or discretionary trusts:</i>		
Trust income up to £1,000 – dividend type income	8.75%	8.75%
Trust income up to £1,000 – all other income	20%	20%
Trust income over £1,000 – dividend type income	39.35%	39.35%
Trust income over £1,000 – all other income	45%	45%
Taxation of trusts	2025/26	2024/25
<i>Interest in possession trusts:</i>		
Dividend-type income	8.75%	8.75%
All other income	20%	20%
Corporation tax	2025/26	2024/25
All profits and gains (excluding determination agreements and diverted profits)		
Small profits rate (companies with profits under £50,000)	19%	19%
Main rate of corporation tax (companies with profits over £250,000)	25%	25%
Limits for marginal relief	£50,000 - £250,000	£50,000 - £250,000
Standard fraction for marginal relief	3/200	3/200
S.455 tax on loans made by close companies to participators	33.75%	33.75%
Capital allowances	2025/26	2024/25

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Main writing-down allowance (reducing balance)	18%	18%
Special rate writing-down allowance (reducing balance)	6%	6%
Structures and buildings allowance (SBA)	3%	3%
Full expensing (main rate plant and machinery) (note 18)	100%	100%
Full expensing (special rate plant and machinery) (note 18)	50%	50%
Motor cars if CO ₂ > 1/km but does not exceed 50g/km)	18%	18%
Motor cars if CO ₂ > 50g/km	6%	6%
First-year allowances (FYA) – New and unused motor cars if CO ₂ emissions are 0 g/km or car is electric (note 19)	100%	100%
Small pool write-off where written-down value (WDV) is £1,000 or less	100%	100%
FYA for electric charge points (note 19)	100%	100%
Annual investment allowance (AIA)	£1,000,000	£1,000,000
AIA rate	100%	100%

Note 18: Full expensing allows the deduction of 100%/50% of the cost of certain plant and machinery from the profits before tax. This measure is effective from 1 April 2023 to 31 March 2026.

Note 19: From April 2021, the thresholds for FYA will be reduced from 50g/km to 0g/km. Main rate of 18% capital allowance will be applicable for business cars with CO₂ emissions not exceeding 50g/km. Business cars with CO₂ emissions exceeding 50g/km will be eligible for writing-down allowance at the special rate of 6%. First year allowance on electric cars and electric charge points is extended to 31 March 2026.

Research and development tax credit rates	2025/26	2024/25
R&D merged scheme (note 20)	20%	20%
R&D Intensive SME deduction rate	186%	186%
R&D Intensive SME payable credit	14.5%	14.5%
R&D Intensive SME intensity ratio (note 21)	30%	30%

Note 20: From April 2024, both R&D tax credits and RDEC schemes are merged, and relief is available at a flat rate of 20%. SME R&D payable credit is only available to R&D intensive companies.

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Note 21: Loss-making SMEs whose R&D expenditure constitutes at least 30% (for accounting periods beginning on or after 1 April 2024) of total expenditure are referred to as 'R&D intensive SMEs'.

Patent box	2025/26	2024/25
Patent box	10%	10%
VAT	2025/26	2024/25
Standard rate	20%	20%
Reduced rate	5%	5%
Zero rate	0%	0%
Flat rate of VAT on gross turnover (for limited cost trader)	16.5%	16.5%
Normal scheme registration threshold	£90,000	£90,000
Deregistration threshold	£88,000	£88,000
Cash and annual accounting scheme – maximum to join	£1,350,000	£1,350,000
Cash and annual accounting scheme – exit threshold	£1,600,000	£1,600,000
Flat-rate scheme – maximum allowed to join	£150,000	£150,000
Flat-rate scheme exit threshold	£230,000	£230,000
Annual tax on enveloped dwellings (ATED)	2025/26	2024/25
More than £0.5m but not more than £1m	£4,450	£4,400
More than £1m but not more than £2m	£9,150	£9,000
More than £2m but not more than £5m	£31,050	£30,550
More than £5m but not more than £10m	£72,700	£71,500
More than £10m but not more than £20m	£145,950	£143,550
Annual tax on enveloped dwellings (ATED)	2025/26	2024/25
More than £20m	£292,350	£287,500

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Economic crime (anti-money laundering) levy (note 23)	2025/26	2024/25
Small entity (less than £10.2m UK revenue)	n/a	n/a
Medium entity (UK revenue £10.2m - £36m)	£10,000	£10,000
Large entity (UK revenue £36m - £1bn)	£36,000	£36,000
Very large entity (UK revenue more than £1bn)	£500,000	£500,000
<i>Note 23: The Economic Crime Levy (ECL) is an annual charge that will affect entities (organisations) who are supervised under the Money Laundering Regulations (MLR) and whose UK revenue exceeds £10.2 million per year. This is subject to the proposed changes in definition of companies' size thresholds.</i>		

October 2024

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Autumn Budget 2024

Stamp duty land taxes: UK

ENGLAND & NORTHERN IRELAND: STAMP DUTY LAND TAX (SDLT) RATES

Residential properties: 23 September 2022 – 30 October 2024

Property value	UK residents		Non-UK residents	
	Only property	Additional property	Only property	Additional property
Up to £250,000	Nil	3%	2%	5%
Next portion from £250,001 to £925,000	5%	8%	7%	10%
Next portion from £925,001 to £1,500,000	10%	13%	12%	15%
Remaining amount above £1,500,000	12%	15%	14%	17%

Residential properties: 31 October 2024 – 31 March 2025

Property value	UK residents	Non-UK residents
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	Only property	Additional property	Only property	Additional property
Up to £250,000	Nil	5%	2%	7%
Next portion from £250,001 to £925,000	5%	10%	7%	12%
Next portion from £925,001 to £1,500,000	10%	15%	12%	17%
Remaining amount above £1,500,000	12%	17%	14%	19%

Residential properties: From 1 April 2025

Property value	UK residents		Non-UK residents	
	Only property	Additional property	Only property	Additional property
Up to £125,000	Nil	5%	2%	7%
Next portion from £125,001 to £250,000	2%	7%	4%	9%
Next portion from £250,001 to £925,000	5%	10%	7%	12%
Next portion from £925,001 to £1,500,000	10%	15%	12%	17%
Remaining amount above £1,500,000	12%	17%	14%	19%

Note 1: From 1 April 2016, higher rates of SDLT apply on purchases of additional properties by individuals. This rate is also payable by companies and other entities.

Note 2: From 1 April 2021, non-UK residents purchasing a residential property in England and Northern Ireland will be subject to a 2% SDLT surcharge in addition to the main rate SDLT payable by UK residents.

Note 3: Higher rates do not apply while replacing main residence, subject to meeting certain conditions or for purchases under £40,000.

Note 4: Sliding-scale rates do not apply when residential property is acquired by certain corporates and 'non-natural persons' (companies, partnerships with a company as a partner and collective investment schemes) for more than £500,000. Instead, these entities pay a flat rate of 17% SDLT from 31 October 2024 (15% up to 30 October 2024) (19% and 17% for non-UK resident entities for respective dates),

subject to relief for qualifying activities or bodies. 'Non-natural persons' may also be subject to the Annual Tax on Enveloped Dwellings (ATED) regime.

SDLT for first-time buyers from 1 April 2025	Rates of tax
Up to £300,000	Nil
Next portion from £300,001 to £500,000	5%
Remaining amount above £500,000	Standard rates apply

SDLT for first-time buyers from 23 September 2022 - 31 March 2025	Rates of tax
Up to £425,000	Nil
Next portion from £425,001 to £625,000	5%
Remaining amount above £625,000	Standard rates apply

Non-residential properties or mixed-use properties

Property or lease premium or transfer value	Rates of tax
Up to £150,000	Nil
The next portion from £150,001 to £250,000	2%
The remaining amount above £250,000	5%

New leasehold properties: SDLT rates on net present value (NPV) of rent: 23 September 2022 – 31 March 2025

Residential property	Non-residential or mixed-use properties	Rates of tax
Up to £250,000	Up to £150,000	Nil
Over £250,000	Next portion from £150,001 to £5m	1%
	Over £5m	2%

New leasehold properties: SDLT rates on net present value (NPV) of rent: From 1 April 2025 onwards

Residential property	Non-residential or mixed-use properties	Rates of tax
Up to £125,000	Up to £150,000	Nil
Over £125,000	Next portion from £150,001 to £5m	1%
	Over £5m	2%

SCOTLAND: LAND AND BUILDINGS TRANSACTION TAX (LBTT) RATES

Residential properties: from 16 December 2022

Property or lease premium or transfer value	Only property rates	Additional property rates (note 6)
Up to £145,000 (note 5)	Nil	6%
Next portion from £145,001 to £250,000	2%	8%
Next portion from £250,001 to £325,000	5%	11%
Next portion from £325,001 to £750,000	10%	16%
Remaining amount over £750,000	12%	18%

Note 5: First-time Buyer Relief continues to apply in Scotland, increasing the nil-rate band from £145,000 to £175,000 for first-time buyers.

Note 6: Higher rates do not apply while replacing main residence, subject to meeting certain conditions or for purchases under £40,000. The 6% rate will apply to transactions entered into on or after 16 December 2022.

Non-residential properties or mixed-use properties

Property or lease premium or transfer value	Rates of tax
Up to £150,000	Nil
Next portion from £150,001 to £250,000	1%
Remaining amount over £250,000	5%

Non-residential leasehold properties: Net present value (NPV) of rent

NPV of rent payable	Rates of tax
Up to £150,000	Nil
Next portion from £150,001 to £2m	1%
Remaining amount over £2m	2%

WALES: LAND TRANSACTION TAX (LTT) RATES

Residential properties: from 10 October 2022

Property value	Only property rates	Additional property rates
Up to £180,000	Nil	4%
Next portion from £180,001 to £225,000	Nil	7.5%
Next portion from £225,001 to £250,000	6%	7.5%
Next portion from £250,001 to £400,000	6%	9%
Next portion from £400,001 to £750,000	7.5%	11.5%
Next portion from £750,001 to £1.5m	10.0%	14.0%

Remaining amount over £1.5m	12.0%	16.0%
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Non-residential properties or mixed-use properties

Property or lease premium or transfer value	Rates of tax
Up to £225,000	Nil
Next portion from £225,001 to £250,000	1%
Next portion from £250,001 to £1m	5%
Remaining amount over £1m	6%

Non-residential leasehold properties: LTT rates on NPV of rent

NPV of rent payable	Rates of tax
Up to £225,000	Nil
Next portion from £225,001 to £2m	1%
Remaining amount over £2m	2%

Stamp duty on shares and securities
Stamp duty payable on transfer of shares and securities is 0.5% , subject to the value of the consideration being above £1,000.

October 2024

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