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Autumn Budget 2026 Summary

On 28 October 2026, Chancellor John Healey presented his first Budget to Parliament — the first Budget of Prime Minister Andy Burnham's government. The Chancellor said the Budget would give the country 'breathing space' after years of rising living costs, and he confirmed the government's promise not to raise the rates of income tax on working people, National Insurance or VAT. There were no changes to capital gains tax rates or to the annual exempt amount. The tax rises in this Budget fall mainly on property and savings income, and on business owners selling their businesses — while savers were given good news on cash ISAs, and employers and employees were given certainty on pay and mileage rates. Some measures announced in the Budget still need to be passed into law, and the detail may change. Below, we talk more about the Budget and what it means for you.

Headlines included:

- No increases to income tax rates on employment or self-employment income, to National Insurance rates, or to VAT. The main National Insurance thresholds stay frozen, but the Lower Earnings Limit rises to £133 a week and the Small Profits Threshold to £7,355 from 6 April 2027.
- Income tax on property and savings income will rise by a further two percentage points from April 2027 — to 24% at the basic rate, 44% at the higher rate and 49% at the additional rate.
- Dividend tax rates are unchanged in this Budget. They rose in April 2026 to 10.75% (ordinary rate) and 35.75% (upper rate); the additional rate remains 39.35%.
- The lifetime limit for Business Asset Disposal Relief will fall from £1 million to £500,000 for disposals made on or after 6 April 2027. A new Founders' Relief will charge capital gains tax at 10% on lifetime gains of up to £10 million for qualifying founders.
- The cash ISA limit will stay at £20,000. The £12,000 cash limit announced in last year's Budget will not now go ahead.
- The National Living Wage will rise to £13.21 an hour from April 2027, and the rate for 18 to 20-year-olds to £11.27.
- The 55p tax-free mileage rate for the first 10,000 business miles, introduced in April 2026, will be made permanent. From 6 April 2027, the rate for business miles above 10,000 will rise from 25p to 35p per mile.
- The main-rate first-year allowance for plant and machinery will rise to 50% for spending from 1 January 2027.
- A one-off £100 payment towards energy bills for households in Council Tax bands A to D in England, from January 2027, and 0% VAT on domestic electricity extended to 30 June 2027.
- The temporary 5p cut in fuel duty is extended to 30 June 2027.
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- The trading allowance rises from £1,000 to £3,000 a year from 6 April 2027.
- From April 2029, businesses will need a Direct Debit instruction in place for VAT and PAYE return liabilities, although other payment methods can still be used before the due date.

INCOME TAX

Please note that 'tax years' run to 5 April each year and that, for example, 2026/27 signifies the year to 5 April 2027.

Your personal allowance

Your tax-free personal allowance will remain at £12,570 in 2026/27. The personal allowance is partially withdrawn if your adjusted net income is over £100,000, and it is fully withdrawn once your adjusted net income reaches £125,140. Adjusted net income is broadly your total income after deducting pension contributions and Gift Aid donations. In last year's Budget, the government announced that the personal allowance and the income tax thresholds will stay frozen until April 2031.

Trading allowance

From 6 April 2027, the trading allowance rises from £1,000 to £3,000 a year. If your trading income is below the allowance, you do not need to report it or pay tax on it. Whether to claim the allowance depends on your circumstances — if your actual allowable expenses are higher than the allowance, claiming those instead may leave you better off.

Income tax rates and allowances

For 2026/27, income tax rates and thresholds remain frozen at their 2025/26 levels.

After your tax-free 'personal allowance' has been deducted, your remaining income will be taxed in bands in 2026/27 as follows:

	2026/27	'Other income'	Savings income	Dividend income
Basic rate	£1 - £37,700	20%	20%	10.75%
Higher rate	£37,701 - £125,140	40%	40%	35.75%
Additional rate	Over £125,140	45%	45%	39.35%

'Other income' means income other than from savings or dividends. This includes salaries, bonuses, profits made by a sole trader or a partner in a business, rental income, pension income and anything else that is not exempt. Note that from 6 April 2027, rental (property) income will be taxed at higher rates — see below.

Scottish taxpayers

If your main residence is in Scotland or you are otherwise classed as a 'Scottish taxpayer', the application of income tax rates and bands applies differently where 'other income' is

concerned. After the 'personal allowance' has been deducted, your 'other income' is taxed in bands as follows:

	Total income	Rate
Starter rate	£12,571 - £16,537	19%
Basic rate	£16,538 - £29,526	20%
Intermediate rate	£29,527 - £43,662	21%
Higher rate	£43,663 - £75,000	42%
Advanced rate	£75,001 - £125,140	45%
Top rate	Over £125,140	48%

The rates for 2027/28 are expected to be announced at the Scottish Budget, in December 2026.

Welsh taxpayers

Similarly, you pay Welsh income tax if you live in Wales. The rates set by the Welsh government usually shadow the main UK income tax rates and allowances and this was the case for 2026/27. We expect the 2027/28 rates to be confirmed when the Welsh Budget is published.

Tax on savings income

A savings allowance determines how much savings income you can receive at 0% taxation, instead of the usual tax rates for savings income as shown above. This will remain at the 2026/27 level of £1,000 for basic rate taxpayers and £500 for higher rate taxpayers. The starting rate for savings — the 0% band on the first £5,000 of savings income for those on low incomes — will be retained until 5 April 2031.

Interest income from an Individual Savings Account (ISA) continues to be exempt from tax.

From 6 April 2027, tax on savings income will rise by two percentage points in every band. This is on top of the two-point rise already announced in last year's Budget, so the rates from 2027/28 will be:

Savings income	2026/27	From 6 April 2027
Basic rate	20%	24%
Higher rate	40%	44%
Additional rate	45%	49%

Tax on property income

Rental income from property is taxed as part of your 'other income' at the rates in the table above for 2026/27. From 6 April 2027, a new, higher set of rates will apply to property income

instead — 24% at the basic rate, 44% at the higher rate and 49% at the additional rate. These rates apply in England, Wales and Northern Ireland; from April 2027, Scotland and Wales can each set their own rates on property income. If you let out property, please talk to us about how this affects you — the rise is worth 4 percentage points against the rates you pay today, and it is the largest single tax rise in this Budget for many landlords.

Tax on dividend income

A dividend allowance determines how much dividend income you can receive at 0% taxation, instead of the usual tax rates for dividend income as shown above. This will remain at the 2026/27 level of £500. The dividend rates shown above — 10.75% ordinary rate and 35.75% upper rate — have applied since 6 April 2026, when they rose by two percentage points. The additional rate remains 39.35%. This Budget made no further change to dividend tax.

Dividend income from a 'stocks and shares' ISA continues to be exempt from tax.

Individual Savings Accounts (ISAs)

The limit on how much you can save into ISAs (including cash and stocks and shares ISAs) in 2026/27 remains at £20,000 overall. This includes up to £4,000 that can be saved into a Lifetime ISA. The Junior ISA and the Child Trust Fund limit both remain at £9,000.

Good news for cash savers: last year's Budget announced a £12,000 limit on how much could be saved into a cash ISA each year from April 2027. This Budget reverses that change, so savers of all ages will continue to be able to save up to £20,000 a year into a cash ISA.

The High-Income Child Benefit charge (HICBC)

You may have to pay the HICBC if you are considered to have 'high income' — that is, your adjusted net income is over £60,000 — and child benefit is being paid in relation to a child that lives with you, regardless of whether you are a parent of that child. If you are living with another person in a marriage, civil-partnership or long-term relationship, you will only be liable to HICBC if you have the higher adjusted net income of the two of you.

Since 2024/25 the child benefit 'high-income' threshold is £60,000. The HICBC is calculated at 1% of the child benefit received for every £200 of adjusted net income above the threshold. This means that child benefit is only fully clawed back where adjusted net income exceeds £80,000.

The HICBC does not apply if the child benefit claimant opts out from receiving the payments.

CAPITAL GAINS TAX

There were no changes to the rates of capital gains tax (CGT) or to the annual exempt amount in this Budget. The rates are as follows:

	2026/27	2025/26
Annual exempt amount	£3,000	£3,000
Rate of CGT on assets other	18%	18%

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than residential property and qualifying business disposals — within the basic rate band		
Rate of CGT on assets other than residential property and qualifying business disposals — outside the basic rate band	24%	24%
Rate of CGT on residential property disposals — within the basic rate band	18%	18%
Rate of CGT on residential property disposals — outside the basic rate band	24%	24%

Business Asset Disposal Relief (BADR) will continue to apply when entrepreneurs dispose of their business. The rate of CGT on BADR qualifying disposals is 18% for disposals made on or after 6 April 2026, on the first £1 million of qualifying gains over your lifetime. However, from 6 April 2027 the lifetime limit will fall to £500,000. Gains on which you have already claimed BADR count towards that £500,000 limit, so if you have used the relief before, less — or nothing — will remain available after 6 April 2027. If you are planning to sell your business, please talk to us before 6 April 2027, as the timing of the disposal could make a significant difference to the tax payable.

A new Founders' Relief was also announced. It will charge CGT at 10% on lifetime gains of up to £10 million for founders of the UK's most successful firms, on qualifying disposals of shares made on or after 6 April 2027. The government is consulting on the detail of the relief, and the consultation closes on 30 November 2026 — so the exact conditions are not yet final.

Capital gains tax relief on disposals to employee ownership trusts was reduced from 100% to 50% from 26 November 2025, as announced in last year's Budget.

NATIONAL LIVING WAGE (NLW) AND NATIONAL MINIMUM WAGE (NMW)

Employers must pay their employees at least the NLW, for workers aged 21 and over, or the NMW otherwise. The minimum hourly rates change on 1 April each year and depend on the worker's age and if they are an apprentice.

	1 April 2027 – 31 March 2028	1 April 2026 – 31 March 2027
NLW - age 21 and over	£13.21	£12.71
NMW - 18-20 year old	£11.27	£10.85
NMW - 16-17 year old and apprentice	£8.31	£8.00

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The 2027 increases are 3.9% in every band. This follows the larger increases in April 2026, when the 18-20 year old rate rose by 8.5% and the 16-17 year old and apprentice rate by 6.0% — a step towards the government's ambition for all adults to receive the same minimum wage. Employers will need to carefully consider affordability when planning their headcount for the year ahead.

EMPLOYMENT TAXES

For employees

The national insurance contributions (NICs) rates and annual thresholds for employees for 2026/27 are as follows:

Employees' Class 1 NICs	2026/27	2025/26
Lower earnings limit (LEL)	£6,708	£6,500
Primary threshold (PT)	£12,570	£12,570
Upper earnings limit (UEL)	£50,270	£50,270
Earnings between the LEL and the PT	0%	0%
Earnings between the PT and the UEL	8%	8%
Earnings above the UEL	2%	2%

Earnings below the LEL are not subject to primary Class 1 NICs and do not accrue entitlement to state benefits. Earnings between the LEL and the PT do accrue entitlement to state benefits and are subject to primary Class 1 NICs, albeit at the 0% rate.

From 6 April 2027, the Lower Earnings Limit will rise to £6,916 a year (£133 a week). The other figures in the table above stay frozen until 2031.

For employers

There were no changes to employers' National Insurance in this Budget. The rates that have applied since 6 April 2025 continue:

- Employers' NICs at 15% on earnings above the secondary threshold of £5,000 per employee per year;
- A higher secondary threshold of £50,270 for employees who are under 21 and apprentices under 25. Other variations can also apply; and
- The 'employment allowance', which eligible employers can offset against their employers' Class 1 NICs liability, of £10,500. The previous restriction — that the allowance was only available to businesses with an employers' Class 1 NICs liability of less than £100,000 in the previous tax year — was removed for 2025/26.

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One change to plan for: from 2029, the National Insurance relief on salary sacrifice into pension schemes will be capped at the first £2,000 of pension contributions per person, as announced in last year's Budget. The government has said that 74% of basic rate taxpayers currently using salary sacrifice would be unaffected. If you run a salary sacrifice scheme, please talk to us well before 2029 so that the scheme can be reviewed.

From 28 October 2026, an employer's payment of certain visa costs — the Immigration Skills Charge and the Certificate of Sponsorship fee — will not be treated as a taxable benefit in kind for the employee.

Benefits in kind

Employees are required to pay income tax on certain non-cash benefits. For example, the provision of a company car constitutes a taxable 'benefit in kind'. In 2026/27, employers will also pay Class 1A NIC at 15% on the value of benefits.

The benefit value of a company car is calculated as a percentage of its list price when it was first registered. The percentage used is determined by the car's carbon dioxide emissions or, if it is electric, its electric range. In 2026/27 the percentage runs from 4% for a zero-emission car to a maximum of 37%. The percentages are set to increase by 1% in 2027/28 and by 2% a year after that, meaning employees with company cars can expect to pay more tax on their company car in future years.

The figures used to calculate benefits-in-kind on employer-provided vans, van fuel (for private journeys in company vans), and car fuel (for private journeys in company cars) increase in line with inflation:

	2027/28	2026/27	2025/26
Van benefit	£4,310	£4,170	£4,020
Van fuel benefit	£825	£798	£769
Car fuel benefit multiplier	£30,200	£29,200	£28,200

Uncertainty surrounding the tax treatment of double cab pick-up vehicles with a payload of 1 tonne or more was addressed in last year's Budget: such vehicles that are not predominantly suitable for carrying goods are to be treated as cars for benefit in kind purposes. However, vehicles that were acquired or ordered before 6 April 2025 can be treated as vans until the earlier of disposal, lease expiry, or 5 April 2029.

The official rate of interest used to calculate the benefit value of employment-related loans and living accommodation is now allowed to change on a quarterly basis, rather than being set for a full tax year.

From 6 April 2027, the use of payroll software to report and pay tax on benefits in kind will become mandatory for company cars, vans, car and van fuel, taxable expenses and medical

benefits. Most other benefits will follow from 6 April 2028. If you currently report benefits on form P11D, please talk to us so that your payroll can be ready in time.

Mileage rates

From 6 April 2026, the tax-free mileage rate for cars and vans rose to 55p per mile for the first 10,000 business miles in a tax year (25p per mile thereafter). This Budget makes the 55p rate permanent. From 6 April 2027, the rate for every business mile above 10,000 will be 35p per mile. If you or your employees use your own vehicle for business travel, make sure your mileage claims use the new rate.

BUSINESS TAX

Motor vehicles

Continuing the topic seen above on double cab pick-up vehicles, a similar change in approach applies in relation to plant and machinery capital allowances claims. From April 2025, most double cab pick-up vehicles with a payload of 1 tonne or more need to be treated as cars for capital allowances purposes. This is less favourable than the previous common classification as a goods vehicle. If the expenditure was incurred as a result of a contract entered into before 1 April 2025 for companies, or 6 April 2025 for non-corporate businesses, and the expenditure is incurred before 1 October 2025, it can continue to be treated as a goods vehicle.

Capital allowances

The government has confirmed that 'full expensing' — 100% tax relief on new and unused qualifying plant and machinery, without limit — will continue, as will the annual investment allowance of £1 million a year. Two changes to the main-rate allowances were announced:

- From 1 January 2026, a new 40% first-year allowance applies to main-rate assets that are not within full expensing. This Budget raises that allowance to 50% for spending from 1 January 2027.
- From 1 April 2026 for corporation tax and 6 April 2026 for income tax, the main-rate writing-down allowance was reduced from 18% to 14%. From April 2027 it will fall again, from 14% to 12% — for chargeable periods beginning on or after 1 April 2027 for corporation tax and 6 April 2027 for income tax.

Please talk to us before buying expensive plant and machinery, as the timing of the purchase can change the relief available.

Making Tax Digital (MTD) for Income Tax

Under the government's MTD for income tax initiative, businesses are required to keep digital records and send a quarterly summary of their business income and expenses to HMRC using MTD-compatible software. These requirements began in April 2026, starting with income tax-paying sole traders and property landlords with combined trade and rental income of more than £50,000.

This threshold will be reduced to £30,000 from April 2027 and to £20,000 by the end of this parliament. Eligible businesses are currently able to opt-in to HMRC's beta testing programme. Please talk to us if you'd like to know more.

Electronic invoicing

In Spring 2025, the government launched a consultation about electronic invoicing (e-invoicing) to gather input from businesses on how HMRC can support investment in e-invoicing and encourage uptake within the business community. As part of the government's digitisation strategy, e-invoicing is likely to be mandatory in future.

Business rates

For 2025/26, retail, hospitality and leisure (RHL) businesses were given a 40% relief on their business rates. From April 2026, permanently lower tax rates apply to RHL properties: the small business RHL multiplier is 38.2p and the standard RHL multiplier is 43p in 2026/27. The lower rates are funded by a higher multiplier of 50.8p on the highest-value properties. The grace period for Small Business Rates Relief has also been extended from one year to three years.

NATIONAL INSURANCE FOR THE SELF-EMPLOYED

Self-employed individuals pay Class 2 and Class 4 National Insurance Contributions (NICs). The relevant rates and thresholds are:

	2026/27	2025/26
Class 2 NICs per year – mandatory*	£nil	£nil
Class 2 NICs per week – voluntary*	£3.65	£3.50
Small profits threshold (SPT)	£7,105	£6,845
Lower profits limit (LPL)	£12,570	£12,570
Upper profits limit (UPL)	£50,270	£50,270
Class 4 NICs on profits below the LPL	0%	0%
Class 4 NICs on profits between the LPL and the UPL	6%	6%
Class 4 rate on profits above the UPL	2%	2%

* From 2024/25 onwards, Class 2 NICs are effectively abolished. If trade profits exceed the SPT, the individual will accrue entitlement to state benefits such as the state pension. However, if trade profits fall below the SPT, the individual will need to pay Class 2 NICs voluntarily if they need the tax year to qualify for state benefit purposes. Voluntary Class 2

costs £3.65 a week in 2026/27 — £189.80 for a full year — and is paid through the Self Assessment return.

From 6 April 2027, the Small Profits Threshold will rise to £7,355 and voluntary Class 2 will rise to £3.80 a week. From 6 April 2026, voluntary Class 2 contributions are no longer available to people living outside the UK — they now need to pay voluntary Class 3 contributions instead, at £18.40 a week.

TAX REGIME FOR FURNISHED HOLIDAY LETS

If you let out residential or commercial property, the profits are taxed as part of your 'other income'. If you sell property that has been rented out, capital gains tax is likely to apply. Generally, rental business activity attracts fewer tax reliefs than trading ventures. However, if a residential property met the strict definition of a 'furnished holiday let' (FHL), enhanced tax relief rules were available.

The special tax rules for FHLs were abolished from 6 April 2025. Profits from FHLs are now taxed in the same way as any other rental business. Please get in touch for a more detailed analysis of how the withdrawal of the FHL status affects you.

VAT

From 1 April 2026, the VAT registration and deregistration thresholds remain at £90,000 and £88,000 respectively. There have been no changes to the rates of VAT and the standard rate continues to be set at 20%.

Private school fees, which were exempt from VAT, have been subject to VAT at 20% since the school term beginning in January 2025.

In a change to help households with energy costs, domestic electricity supplies are charged at 0% VAT. This zero rate, which began on 1 October 2026, has now been extended to 30 June 2027.

From July 2026, VAT at the standard rate applies to advance payments paid to Motability or equivalent schemes, and insurance premium tax at the standard rate applies to insurance related to vehicle leases.

CORPORATE TAXES

Rates from 1 April 2026

Corporation tax rates and thresholds for the financial year to 31 March 2027 remain unchanged as follows:

Financial year to 31 March 2027	
Main rate	25%
Small profits rate	19%
Small profit threshold	£50,000

Main rate threshold	£250,000
Marginal relief fraction	3/200
Effective marginal relief rate	26.5%

The thresholds must be equally shared between companies in a group and those controlled by the same person or persons. If an associated company is dormant, then it is not included in this calculation. However, an associated company with only limited activity would be included, which could lead to higher than necessary effective rates of corporation tax. If you are in this situation speak to us about how you might be able to mitigate this.

Companies with profits between the small profit and main rate thresholds will qualify for marginal relief, which effectively means they pay tax at 19% up to the lower threshold and at 26.5% on the balance of their profits.

Roadmap

A corporate tax roadmap was published by the government in 2024, with the view of creating a stable and predictable tax environment. This Budget reaffirmed its commitments, which include:

- The corporation tax rates will not increase beyond the rates shown above. This includes retaining the small profits rate and marginal relief.
- Maintaining the annual investment allowance, giving 100% tax relief on the acquisition of up to £1 million worth of new or second-hand qualifying plant and machinery each year.
- Maintaining the 'full-expensing' regime, giving 50% or 100% tax relief on the acquisition of new and unused qualifying plant and machinery, without limit.
- Maintaining the rates of the current Research and Development (R&D) tax reliefs (see below).

The government will also launch a service in July 2026 giving advance tax certainty for large inbound investment projects.

Research & Development (R&D) reliefs

The R&D tax relief regime has seen a lot of change in recent years, and the government is committing to the current rates of relief. Since 1 April 2024, this equates to a 20% taxable contribution from HMRC on qualifying R&D expenditure in the 'merged scheme' (used by most claimant companies) and, for 'loss-making R&D intensive SME companies', an 86% uplift in deductible qualifying expenditure with a 14.5% payable tax credit.

An R&D intensive company is one that qualifies as an SME and at least 30% of its total expenditure is invested in R&D.

HMRC continue to take measures to tackle non-compliance in this area, which has led to a reduction in the number of claims made. Please talk to us if you are considering making a claim so that we can help you to navigate HMRC's compliance checks.

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Bank Corporation Tax Surcharge

To help fund the additional support for households and businesses in this Budget, the Bank Corporation Tax Surcharge will temporarily rise from 3% to 6% for 15 months, from 1 January 2027 to 31 March 2028, after which it will return to 3%.

Annual Tax on Enveloped Dwellings (ATED)

Companies and some other entities may need to file ATED returns or pay ATED if they hold a UK residential property with a market value over £500,000. The rates of ATED will increase from 1 April 2027 so please contact us if you require any support with this.

PENSIONS

Despite speculation in the run up to the Budget, the Chancellor decided not to make significant changes to the taxation of pensions. The ability to receive a 25% tax-free lump sum of up to £268,275 (or higher in some cases) remains.

Individual contributions continue to attract income tax relief at the individual's marginal tax rate and can be particularly effective where adjusted net income is between £100,000 and £125,140, where the personal allowance is tapered.

Employer pension contributions continue to qualify for a deduction against business profits and the rumour that employers' national insurance would be imposed on pension contributions did not materialise — although, as noted above, the National Insurance relief on salary sacrifice into pensions will be capped at the first £2,000 of contributions per person from 2029. Note that the £60,000 annual allowance limit continues for 2026/27 and applies to the combined individual and employer contributions.

The State Pension 'triple lock' — under which the State Pension rises each year by the highest of 2.5%, inflation or earnings growth — continues through April 2029, with an adjusted approach from April 2030. The government has also announced a targeted Pension Tax Allowance, which will apply from 6 April 2027 to 5 April 2030 — please talk to us for the detail, as the conditions are still being finalised.

The two-year rule for pension and lump sum death benefits has been removed for qualifying payments made on or after 28 October 2026.

One change announced in the 2024 Budget and still to take effect: from 6 April 2027, most undrawn pension funds and death benefits will be included within the value of a person's estate for inheritance tax purposes, and pension scheme administrators will become liable for reporting and paying any inheritance tax due on pensions to HMRC.

INHERITANCE TAX

The main rate of IHT remains at 40%, reduced to 36% for estates where 10% or more is left to charity.

The IHT nil rate band will continue to be frozen at £325,000 until 2031. The additional nil rate band for passing on the family home to direct descendants (residence nil rate band) will also

remain at £175,000 until 2031. This means that married couples and civil partners will generally not pay inheritance tax where their combined estate is valued below £1 million. Note however that the residence nil rate band continues to be tapered where the value of the estate exceeds £2 million.

Gifts made by an individual in the 7 years prior to their death are classed as 'potentially exempt transfers' and can give rise to an IHT liability on death. There will be no changes to this regime. Furthermore, taper relief continues to apply, reducing IHT payable where there are more than 3 years between the date of the gift and the date of death.

As mentioned above, it is proposed that, from April 2027, most undrawn pension funds and death benefits will be included within the value of a person's estate for IHT purposes.

Farmers and business owners

The government is reforming IHT agricultural property relief (APR) and business property relief (BPR) from 6 April 2026. Relief of up to 100% is currently available on qualifying business and agricultural assets with no financial limit.

From 6 April 2026, 100% relief will only apply to the first £2.5 million of combined agricultural and business property, with the relief reducing to 50% on the value that exceeds £2.5 million. This means the relief will be focused on small family farms and businesses.

In a further change, the rate of BPR available for shares designated as 'not listed' on the markets of recognised stock exchanges, such as AIM, will be reduced from 100% to 50%.

Two changes announced in last year's Budget soften these reforms: the unused part of the £2.5 million combined allowance will be transferable between spouses and civil partners, and a £5 million cap will apply to ten-year anniversary and exit charges on trusts that held excluded property at 30 October 2024 (with retrospective effect from 6 April 2025). UK agricultural property held through non-UK entities will also be treated as UK-situated for IHT purposes.

As an anti-forestalling measure, the new rules will apply to lifetime transfers made on or after 30 October 2024 if the donor dies on or after 6 April 2026.

UK RESIDENCY AND DOMICILE

Significant tax changes have been announced for UK resident non-domiciled individuals; namely those individuals spending most of their time in the UK but without permanently settling here. The concept of 'domicile' was removed from the UK tax system from 6 April 2025 and replaced by a regime based on years of tax residence.

Income and capital gains taxes

At present, individuals who are both resident and domiciled in the UK must pay UK taxes on their worldwide income and capital gains. However, for UK resident non-domiciled individuals, they were able to claim a 'remittance basis' of taxation for their overseas income and capital gains and only pay UK taxes to the extent they remit (bring) the associated funds

to the UK. To access this favourable tax treatment, non-domiciled individuals could be required to pay an annual 'remittance basis charge' of up to £60,000.

The concept of domicile and the remittance basis of taxation were abolished from 6 April 2025, meaning all UK residents default to being taxed in the UK on their worldwide income and gains. However, a 100% relief from tax on foreign income and/or capital gains is available to individuals in their first 4 years of UK tax residence. It should be noted that if a 'newly arrived' individual claims this relief, they will sacrifice their UK personal allowance and CGT annual exemption, along with their ability to claim relief for some foreign losses.

From April 2025, for employed individuals eligible for the 100% relief from UK taxation on their foreign income and/or capital gains, an 'overseas workday relief' remains available in relation to their duties performed overseas, with a maximum cap on the relief equal to the lower of £300,000 and 30% of total employment income.

The notional dividend tax credit for non-UK residents with UK income will be abolished from 6 April 2026.

Inheritance tax

Currently inheritance tax applies to the worldwide assets of a UK-domiciled individual but, broadly, just to the UK-situated assets of a non-domiciled individual.

From 6 April 2025, individuals resident in the UK for at least 10 out of the last 20 tax years are subject to inheritance tax on both their UK and non-UK assets. They will then remain within the full scope of UK inheritance tax for between 3 and 10 years after leaving the UK.

If you have not always lived in the UK, please talk to us about how the new rules will affect you. There may be some exemptions or transitional reliefs that we are able to claim to support your position, including a 'temporary repatriation facility' for any overseas funds you may have and 're-basing' any overseas assets you hold to their April 2017 values to reduce any UK capital gains tax arising in 2026/27 and onwards.

STAMP DUTY

England and Northern Ireland - thresholds

The 0% thresholds for Stamp Duty Land Tax (SDLT) were reduced from 1 April 2025 as follows:

	From 1 April 2025	1 April 2024 to 31 March 2025
Main threshold	£125,000	£250,000
First-time buyers' threshold	£300,000	£425,000

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SDLT on additional dwellings such as second homes

For transactions with an effective date (generally the date of completion) on or after 31 October 2024, the higher rates of SDLT payable by purchasers of 'additional dwellings' (i.e. when they already own one dwelling), and by companies, are 5% above the standard residential rates. This measure is clearly targeted at buy-to-let landlords and those acquiring second homes.

The rate of SDLT payable by companies and non-natural persons (e.g. trusts) acquiring dwellings for more than £500,000 is 17% from 31 October 2024.

Scotland and Wales

Property purchasers in Scotland and Wales do not pay SDLT. Rather, if you buy a property in Scotland you pay Land and Buildings Transaction Tax, and in Wales you pay Land Transaction Tax. No amendments to these transaction taxes have yet been announced.

DEALING WITH HMRC

Interest on unpaid tax liabilities

From 6 April 2025, the late payment interest rate charged by HMRC on unpaid tax liabilities increased by 1.5 percentage points. For most taxes, this sets late payment interest at the Bank of England base rate plus 4%.

Paying tax during the year

From April 2029, self assessment taxpayers who make payments on account will need to make more regular in-year payments, with eligible taxpayers able to pay through PAYE. If you pay tax through Self Assessment, please talk to us so that you can plan for the change in timing.

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From April 2029 — 1 April for VAT and 6 April for PAYE — businesses will need a Direct Debit instruction in place for VAT and PAYE return liabilities. You will still be able to pay by another method before the due date; the Direct Debit is a safeguard so HMRC can collect any amount that remains unpaid. Some businesses will be exempt, although the exemptions have not yet been confirmed.

IN CONCLUSION

As we approach 2027/28, we know a number of our clients and contacts will be assessing the impact of the Budget on their affairs. While some of our readers will benefit from the support for households and the certainty on cash ISAs, for others — especially landlords, savers with income outside ISAs, and business owners planning a sale — it will be necessary to re-group

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and update your plans for 2027 and onwards. Remember, we are here to work alongside you to ensure your business and personal success. Please do get in touch if there is anything that you would like to discuss.

Disclaimer: This newsletter covers the key news headlines from the Autumn Budget 2026. The authors take great care in its production, but it is not exhaustive and should not be read as a full fiscal summary. The content displayed is correct as of 25 November 2026. We cannot take responsibility for any action taken or not taken from this document alone. Please contact us for personalised advice.