



Chartered  
Accountants

# 2024 Budget Report

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# SPRING BUDGET 2024



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# INTRODUCTION



Chancellor Jeremy Hunt delivered his 'Budget for Long Term Growth' on Wednesday 6 March 2024. His speech promised 'more investment, more jobs, better public services and lower taxes'.

## Lowering taxes

The Chancellor made further changes to National Insurance contributions (NICs), following the cuts made in the Autumn Statement 2023. The rates for NICs will be cut further for both employees and the self-employed from 6 April 2024.

There was also a cut in the higher rate of Capital Gains Tax on residential property disposals and the creation of a new ISA allowance to encourage investment in promising UK businesses.

The Chancellor has responded to pressure from business groups by raising the threshold for VAT registration to £90,000 and announcing his intention to extend Full Expensing to leased assets.

## Making it possible

The Chancellor made his cuts possible with a series of tax-raising measures. These included a new regime for non-doms, the abolition of the Furnished Holiday Lettings tax regime and Multiple Dwellings Relief, alongside a new duty on vaping and an increase in tobacco duty.

# PERSONAL TAX



## Tax bands and rates

The basic rate of tax is 20%. For 2024/25 the band of income taxable at this rate is £37,700 so that the threshold at which the 40% band applies is £50,270 for those who are entitled to the full personal allowance.

The basic rate band is frozen at £37,700 until April 2028. The National Insurance contributions upper earnings limit and upper profits limit will remain aligned to the higher rate threshold at £50,270 for these tax years as well.

For 2024/25, the point at which individuals pay the additional rate of 45% is £125,140.

The additional rate for non-savings and non-dividend income will apply to taxpayers in England, Wales, and Northern Ireland. The additional rate for savings and dividend income will apply to the whole of the UK.

## Scottish residents

The tax on income (other than savings and dividend income) is different for taxpayers who are resident in Scotland from that paid by taxpayers resident elsewhere in the UK. The Scottish income tax rates and bands apply to income such as employment income, self-employed trade profits and property income.

In 2024/25 a new 45% rate will be introduced, making six income tax rates which range between 19% and

48%. Scottish taxpayers are entitled to the same personal allowance as individuals in the rest of the UK.

## Welsh residents

Since April 2019, the Welsh Government has had the right to vary the rates of income tax payable by Welsh taxpayers (other than tax on savings and dividend income). The UK government has reduced each of the three rates of income tax paid by Welsh taxpayers by 10 pence. For 2024/25 the Welsh Government has set the Welsh rate of income tax at 10 pence which has been added to the reduced rates. This means the tax payable by Welsh taxpayers is the same as that payable by English and Northern Irish taxpayers.

## The personal allowance

The income tax personal allowance is fixed at the current level until April 2028 at £12,570.

There is a reduction in the personal allowance for those with 'adjusted net income' over £100,000. The reduction is £1 for every £2 of income above £100,000. This means that there is no personal allowance where adjusted net income exceeds £125,140.

The government will uprate the married couple's allowance and blind person's allowance for 2024/25.

## The marriage allowance

The marriage allowance permits certain couples to transfer £1,260 of their personal allowance to their spouse or civil partner.



### Comment

The marriage allowance reduces the recipient's tax bill by up to approximately £250 a year. To benefit from the marriage allowance one spouse or civil partner must normally have no income or income below the personal allowance for the year. Since the marriage allowance was first introduced there are couples who are entitled to claim but have not yet done so. It is possible to claim for all years back to 2019/20 where the entitlement conditions are met. The total tax saving for all years up until 2022/23 could be over £1,000. A claim for 2019/20 will need to be made by 5 April 2024.

## Tax on savings income

Savings income is income such as bank and building society interest.

The Savings Allowance applies to savings income and the available allowance in a tax year depends on the individual's marginal rate of income tax. Broadly, individuals taxed at up to the basic rate of tax have an allowance of £1,000. For higher rate taxpayers the allowance is £500. No allowance is due to additional rate taxpayers.

Savings income within the allowance still counts towards an individual's basic or higher rate band and

so may affect the rate of tax paid on savings above the Savings Allowance.

Some individuals qualify for a 0% starting rate of tax on savings income up to £5,000. However, the rate is not available if taxable non-savings income (broadly earnings, pensions, trading profits and property income, less allocated allowances and reliefs) exceeds £5,000.

## Tax on dividends

Currently, the first £1,000 of dividends is chargeable to tax at 0% (the Dividend Allowance). This will be reduced to £500 for 2024/25.

These changes will apply to the whole of the UK.

Dividends received above the allowance are taxed at the following rates for 2024/25:

- 8.75% for basic rate taxpayers
- 33.75% for higher rate taxpayers
- 39.35% for additional rate taxpayers.

The Corporation Tax due on directors' overdrawn loan accounts is paid at 33.75% and remains unchanged.

Dividends within the allowance still count towards an individual's basic or higher rate band and so may affect the rate of tax paid on dividends above the Dividend Allowance.

To determine which tax band dividends fall into, dividends are treated as the last type of income to be taxed.

## Pension tax limits

A number of changes were made to the tax regime for pensions for 2023/24:

- The Annual Allowance (AA) is £60,000.
- Individuals who have 'threshold income' for a tax year of greater than £200,000 have their AA for that tax year restricted. It is reduced by £1 for every £2 of 'adjusted income' over £260,000, to a minimum AA of £10,000.
- No Lifetime Allowance (LA) charge.

The AA and threshold and adjusted income levels will remain the same for 2024/25.

- As previously announced the LA of £1,073,100 will be abolished from 2024/25. Changes have been made to clarify the taxation of lump sums and lump sum death benefits, and the application of protections, as well as the tax treatment for overseas pensions, transitional arrangements, and reporting requirements.

## Individual Savings Accounts

The government is freezing the limits on Individual Savings Accounts (ISAs) (£20,000), Junior Individual Savings Accounts (£9,000), Lifetime Individual Savings Accounts (£4,000 excluding government bonus) and Child Trust Funds (£9,000) for 2024/25.



The government announced that it is looking to introduce the UK ISA. This will have a new ISA allowance of £5,000 in addition to the existing ISA allowance, and will provide a new tax-free savings opportunity for people to invest in the UK.

## High Income Child Benefit Charge

The High Income Child Benefit Charge (HICBC) is a tax charge that applies to higher earners who receive Child Benefit, or whose partner receives it.

The government is increasing the income threshold at which HICBC starts to be charged from £50,000 to £60,000 from April 2024. The rate at which HICBC is charged will be halved from 1% of the Child Benefit payment for every additional £100 above the threshold to 1% for every £200. This means that Child Benefit

will not be withdrawn in full until individuals have 'adjusted net income' of £80,000 or more.

### Comment

The government estimates 485,000 families will gain an average of £1,260 towards the cost of raising their children in 2024/25. 170,000 families will be taken out of paying the tax charge.

In addition, the government plans to administer the HICBC on a household rather than individual basis by April 2026, with a consultation in due course.

## Non-UK domiciled individuals

From 6 April 2025, the current remittance basis of taxation for non-UK domiciled individuals will be abolished and replaced with a residence-based regime. Individuals who opt into the new regime will not pay UK tax on any foreign income and gains arising in their first four years of tax residence, provided they have been non-tax resident for the last ten years. Anyone who has been tax resident in the UK for more than four years will pay UK tax on their foreign income and gains.

The government will also introduce the following transitional arrangements for existing non-UK domiciled individuals claiming the remittance basis:

- an option to rebase the value of capital assets to 5 April 2019
- a temporary 50% exemption for the taxation of foreign income for the first year of the new regime (2025/26)
- a two year Temporary Repatriation Facility to bring previously accrued foreign income and gains into the UK at a tax rate of 12%.

The government will also reform Overseas Workday Relief for employment duties carried out overseas.

Inheritance Tax (IHT) is currently a domicile-based system. The government announced the intention to move to a residence-based system, subject to consultation, but no changes to IHT will take effect before 6 April 2025.

# EMPLOYMENT



## National Insurance contributions

The Chancellor has previously announced major changes to the National Insurance contributions (NICs) system.

### Employees and NICs

Following the Autumn Statement in 2023 the government cut the main rate of Class 1 employee NICs from 12% to 10% from 6 January 2024. The government has further cut the main rate of Class 1 employee NICs from 10% to 8% from 6 April 2024.

#### Comment

According to the government, building on changes made at the Autumn Statement the government has cut taxes again for 29 million people with the average worker on £35,400 receiving a cut in 2024/25 of over £900.

### The self-employed and NICs

The self-employed generally have to pay two forms of NICs: Class 2 and Class 4.

Firstly, the government will amend Class 2 self-employed NICs from 6 April 2024. This means that, from 6 April 2024:

- Self-employed people with profits above £6,725 will continue to get access to contributory benefits, including the State Pension, through a National Insurance credit, without paying NICs.
- Those with profits under £6,725 and others who pay Class 2 NICs voluntarily to get access to contributory benefits including the State Pension will continue to be able to do so.

#### Comment

This will mean that a self-employed person who currently pays Class 2 NICs will save at least £192 per year.

Secondly, the government will cut the main rate of Class 4 self-employed NICs from 9% to 6% from 6 April 2024.

#### Comment

This will benefit around two million individuals, recognising the contribution of the self-employed to the economy and ensuring that work pays for all. According to the government, combined with the removal of the requirement to pay Class 2 NICs, this will save an average self-employed person on £28,000 £650 a year.

## Extension of NICs relief for hiring veterans

The government is extending the employer NICs relief for businesses hiring qualifying veterans for a further year from April 2024 until April 2025. This means that employers will continue to pay no employer NICs up to annual earnings of £50,270 for the first year of a qualifying veteran's employment in a civilian role.

## National Living Wage and National Minimum Wage

The government has accepted in full the recommendations of the Low Pay Commission and announced increased rates of the National Living Wage (NLW) and National Minimum Wage (NMW) which will come into force from 1 April 2024. In addition, from 1 April 2024 the NLW will be extended to 21 and 22 year olds. The rates which will apply from 1 April 2024 are as follows:

	NLW	18-20	16-17	Apprentices
<b>From 1 April 2024</b>	£11.44	£8.60	£6.40	£6.40



The apprenticeship rate applies to apprentices under 19 or 19 and over in the first year of apprenticeship. The NLW applies to those aged 21 and over.

### Comment

The Department for Business and Trade estimates 2.7 million workers will directly benefit from the 2024 National Living Wage increase.

## Taxable benefits for company cars

The rates of tax for company cars remain frozen for 2024/25. Future car benefit rates have been announced for 2025/26 to 2027/28:

- For 2025/26, the rates for emissions under 75gm/km increase by 1%.
- For 2026/27, the rates for emissions under 75gm/km increase by a further 1%.
- For 2027/28, the rates for emissions under 75gm/km increase by a further 1%.

The charge for electric cars will rise from 2% to 5% over that period.

For cars with emissions of 75gm/km and above, there will be a 1% rise in 2025/26 only, subject to a maximum of 37%.

From 6 April 2024 the figure used as the basis for calculating the benefit for employees who receive free private fuel from their employers for company cars remains £27,800.

## Company vans

For 2024/25 the benefit remains £3,960 per van and the van fuel benefit charge where fuel is provided for private use remains £757. If a van cannot in any circumstances emit CO<sub>2</sub> by being driven, the cash equivalent is nil.



# BUSINESS



## Corporation Tax rates

The government has confirmed that the rates of Corporation Tax will remain unchanged, which means that, from April 2024, the rate will stay at 25% for companies with profits over £250,000. The 19% small profits rate will be payable by companies with profits of £50,000 or less. Companies with profits between £50,001 and £250,000 will pay tax at the main rate reduced by a marginal relief, providing a gradual increase in the effective Corporation Tax rate.

## Capital allowances

The Full Expensing rules for companies allow a 100% write-off on qualifying expenditure on most plant and machinery (excluding cars) as long as it is unused and not second-hand. The rules were originally designed to be effective for expenditure incurred on or after 1 April 2023 but before 1 April 2026. Similar rules apply to integral features and long life assets at a rate of 50%. The government announced in the Autumn Statement 2023 that both allowances will be made permanent.

The government is to publish draft legislation for consultation to help consider any potential extension to include plant and machinery for leasing.

The Annual Investment Allowance (AIA) is available to both incorporated and unincorporated businesses. It gives a 100% write-off on certain types of plant and machinery up to certain financial limits per 12-month period. The limit remains at £1 million.

## Transfer of assets abroad - anti-avoidance legislation

The Transfer of Assets Abroad (ToAA) provisions will be amended so that UK resident individuals cannot bypass the legislation, by using a company to transfer assets offshore in order to avoid tax. Transfers of assets by certain companies will be considered a relevant transfer for the purposes of the legislation. The new measure will apply to income arising to persons abroad on or after 6 April 2024.

## Creative Industries

The government has announced additional support for UK independent films already eligible for the Audio-Visual Expenditure Credit (AVEC). The AVEC is currently set as a basic credit of 34% of qualifying expenditure. Companies with qualifying UK independent films with a budget of £15 million or less will be able to claim a new UK Independent Film Tax Credit (IFTTC) of 53%. Qualifying expenditure will be capped at 80% of the film's total core expenditure. Qualifying films will need to commence principal photography on or after 1 April 2024 and claims can be made from 1 April 2025.

### Comment

**The maximum IFTTC claim will be £6,360,000.**

Separately, from 1 April 2025, companies with qualifying visual effects costs will be able to claim an increased AVEC of 39%, a 5% increase on the basic credit. The 80% cap will also be removed for qualifying visual effects costs.



For Theatre Tax Relief, Orchestra Tax Relief and Museums and Galleries Tax Relief, the temporary rates of 40%/45% for non-touring/touring and orchestral productions will be made permanent from 1 April 2025.

## Furnished Holiday Lettings

The Furnished Holiday Lettings (FHL) tax regime will be abolished from April 2025. Draft legislation is to be published and will include anti-forestalling measures that will apply from 6 March 2024. The effect of abolishing the rules will be that short-term furnished holiday lets and longer-term residential lets are treated the same for tax purposes and individuals will no longer need to report the two income streams separately.



## Research and Development relief

As announced in the Autumn Statement 2023, the existing Research and Development Expenditure Credit (RDEC) and SME schemes will be merged, with expenditure incurred in accounting periods beginning on or after 1 April 2024 being claimed in the merged scheme. The rate under the merged scheme will be set at the current RDEC rate of 20%.

The changes also provide additional relief for loss-making Research and Development (R&D) intensive SMEs through a higher rate of payable tax credit from April 2023, as a feature of the existing SME scheme. Those entitled to this higher rate would, from April 2024, continue to claim under rules similar to the current SME scheme rather than under the new RDEC scheme.

A number of other changes will apply to the new regime from April 2024, including that R&D claimants will no longer be able to nominate a third-party payee for R&D tax credit payments, subject to limited exceptions.

### Comment

**Further action may be needed to reduce the unacceptably high levels of non-compliance with the R&D rules and HMRC will be publishing a compliance action plan.**

## Making Tax Digital for income tax

The government has announced the outcome of the review into the impact of Making Tax Digital (MTD) for Income Tax Self Assessment (ITSA) on small businesses and intends to proceed with implementation from April 2026. The government will also ensure taxpayers who join MTD from 6 April 2024 are subject to the government's new penalty regime for the late filing of tax returns and late payment of tax.

## Business Rates

The small business multiplier will be frozen for another year, while the 75% Retail, Hospitality and Leisure relief will be extended for 2024/25. The standard multiplier will be uprated in line with the Consumer Prices Index for September 2023. These changes will take effect from 1 April 2024 in England.

## Freeports and Investment Zones

Both regimes allow businesses in specific locations to benefit from a number of reliefs including Stamp Duty Land Tax relief, enhanced capital allowances, structures and buildings allowances and secondary Class 1 NIC relief for eligible employers.



As announced in the Autumn Statement 2023, the government will extend the window to claim the tax reliefs available in Freeport special tax sites from five to ten years. The extension to the sunset dates will be enacted by secondary legislation and have been confirmed as:

- 30 September 2031 for special tax sites in respect of English Freeports
- 30 September 2034 for special tax sites in respect of Scottish Green Freeports and Welsh Freeports.

## Other

Other announced changes include:

- Making the cash basis of accounting the default position for the self-employed from 2024/25, with an alternative to opt for the accruals basis, together with technical changes to the regime.
- A number of changes to strengthen the Construction Industry Scheme from April 2024.

# CAPITAL TAXES



## Capital Gains Tax rates

The Capital Gains Tax (CGT) rate remains at 10%, to the extent that any income tax basic rate band is available, and 20% thereafter.

Higher rates apply for certain gains, mainly chargeable gains on residential properties, with the exception of any element that qualifies for Private Residence Relief. These rates are changed from 18% and 28% in 2023/24 to 18% and 24% in 2024/25.

There is still potential to qualify for a 10% rate on gains up to £1 million under Business Asset Disposal Relief and £10 million under Investors' Relief.

## CGT annual exemption

The government has announced that the CGT annual exempt amount will be reduced from £6,000 to £3,000 from 6 April 2024.

## Inheritance Tax nil rate bands

Despite much speculation before the Budget, Inheritance Tax (IHT) has not been abolished. The nil rate band has been frozen at £325,000 since 2009 and this will now continue up to 5 April 2028. An additional nil rate band, called the 'residence nil rate band' is also frozen at the current £175,000 level until 5 April 2028.

## Changes to Agricultural Property Relief and Woodlands Relief

To ensure compatibility with EU law, action was taken many years ago to expand the scope of Agricultural Property Relief (APR) and Woodlands Relief to property located in the European Economic Area. Following Brexit, this measure reverses those changes and also removes APR from property in the Channel Islands and Isle of Man. Broadly, the changes take effect from 6 April 2024.

## Environmental land management and ecosystem service markets

The government is undertaking significant reform of agricultural policy and spending in England.

At Budget 2023, the government published a consultation exploring elements of the tax treatment of environmental land management and ecosystem service markets. Following consideration of the responses, the government has decided:

- to extend the existing scope of APR from 6 April 2025 to land managed under an environmental agreement with, or on behalf of, the UK government, Devolved Administrations, public bodies, local authorities, or approved responsible bodies and
- not to restrict APR to tenancies of at least eight years.

# OTHER MATTERS



## The VAT registration threshold

After many years of having been frozen, the government will increase the VAT registration threshold from £85,000 to £90,000 and the deregistration threshold from £83,000 to £88,000 from 1 April 2024. The government has stated that these new thresholds will be frozen but has not stated for how long.

## Stamp Duty Land Tax changes

A number of changes are made to the Stamp Duty Land Tax (SDLT) regime. These include the following:

- The abolition of Multiple Dwellings Relief, broadly from 1 June 2024 but subject to transitional rules, for purchasers of residential property in England and Northern Ireland.
- Changes to First-Time Buyer Relief to extend it to individuals buying a new residential lease via a nominee or bare trust for transactions with an effective date (usually the date of completion) on or after 6 March 2024, but subject to transitional rules.
- Public bodies in England and Northern Ireland will be removed from the scope of the 15% SDLT higher rate charge where the effective date of transaction (usually the date of completion) is on or after 6 March 2024.

## Simplification measures

The government has announced a package of measures that supports its ambition to simplify and modernise the tax system, which includes the following:

- To simplify the process for employees claiming tax relief on their expenses, and for HMRC to automatically process claims, the government is designing a new, online service for employees to claim tax relief on all of their expenses in one place.
- The government will mandate the reporting and paying of income tax and Class 1A NICs on benefits in kind via payroll software from April 2026.
- The government will legislate to introduce a route for people to apply for National Insurance Credits for parents and carers for tax years where they have not claimed Child Benefit, to ensure that people do not miss out on their State Pension entitlement.

## Other changes

- The alcohol duty freeze will be extended until February 2025.
- The temporary 5p cut in fuel duty rates will be extended until March 2025 and the planned inflation increase for 2024/25 will not take place.
- A new duty on vaping products will be introduced from 1 October 2026. The government will also introduce a one-off tobacco duty increase from the same date.

## Income Tax

### Rates and bands (other than savings and dividend income)

2024/25		2023/24	
Band £	Rate %	Band £	Rate %
0 - 37,700	20	0 - 37,700	20
37,701 - 125,140	40	37,701 - 125,140	40
Over 125,140	45	Over 125,140	45

Income tax rates in Scotland and Wales on income other than savings and dividend income have been devolved.

### Savings income 2024/25 and 2023/24

Savings allowance basic rate	£1,000
Savings allowance higher rate	£500

A starting rate of 0% may be available unless taxable non-savings income exceeds £5,000.

### Dividend income 2024/25 2023/24

Dividend allowance	£500	£1,000
Dividend ordinary rate	8.75%	8.75%
Dividend upper rate	33.75%	33.75%
Dividend additional rate	39.35%	39.35%

## Income Tax Reliefs

	2024/25	2023/24
Personal allowance	£12,570	£12,570
Personal allowance income limit	£100,000	£100,000
Marriage allowance	£1,260	£1,260
Married couple's allowance	£11,080	£10,375
- minimum amount	£4,280	£4,010
- income limit	£37,000	£34,600
Blind person's allowance	£3,070	£2,870

## Pensions

	2024/25	2023/24
Lifetime Allowance (LA) limit	No LA charge	No LA charge
Annual Allowance limit	£60,000	£60,000
Money Purchase Annual Allowance	£10,000	£10,000

## Corporation Tax

Years to 31.3.24 and 31.3.25	Profits band £	Rate %
Small profits rate	0 - 50,000	19
Marginal rate	50,001 - 250,000	26.5
Main rate	Over 250,000	25
Marginal relief fraction	3/200	

Profits limits are reduced for a company with associated companies. Different rates apply for ring-fenced (broadly oil industry) profit.

## Inheritance Tax

Death rate	Lifetime rate	Chargeable transfers 2024/25 and 2023/24
Nil	Nil	0 - £325,000 (nil rate band)
40%	20%	Over £325,000

A further nil rate band of £175,000 may be available in relation to current or former residences.

## Devolved Income Tax

### Scotland rates and bands

2024/25		2023/24	
Band £	Rate %	Band £	Rate %
0 - 2,306	19	0 - 2,162	19
2,307 - 13,991	20	2,163 - 13,118	20
13,992 - 31,092	21	13,119 - 31,092	21
31,093 - 62,430	42	31,093 - 125,140	42
62,431 - 125,140	45	Over 125,140	47
Over 125,140	48		

### Wales rates and bands

2024/25		2023/24	
Band £	Rate %	Band £	Rate %
0 - 37,700	20	0 - 37,700	20
37,701 - 125,140	40	37,701 - 125,140	40
Over 125,140	45	Over 125,140	45

## National Insurance

### 2024/25 Class 1 (employed) rates

Employee	Employer	Earnings per week	%	Earnings per week	%
Up to £242	Nil	Up to £175	Nil		
£242.01 - £967	8	Over £175	13.8		
Over £967	2				

Entitlement to contribution-based benefits for employees retained for earnings between £123 and £242 per week. The employer rate is 0% for certain military veterans, employees under 21 and apprentices under 25 on earnings up to £967 per week.

**Class 1A (employers)** 13.8% on employee taxable benefits

**Class 1B (employers)** 13.8% on PAYE Settlement Agreements

**Class 2 (self-employed)** nil (£3.45 per week where those with profits below £6,725 wish to make a voluntary contribution)

**Class 3 (voluntary)** flat rate per week £17.45

**Class 4 (self-employed)** 6% on profits between £12,570 and £50,270 plus 2% on profits over £50,270

## Car, Van and Fuel Benefits

2024/25		
CO <sub>2</sub> emissions g/km		% of list price taxed
0		2
1 - 50		
Electric range	130 or more	2
	70 - 129	5
	40 - 69	8
	30 - 39	12
	under 30	14
51 - 54		15
For every extra 5		+1
160 and above		37

For fully diesel cars generally add a 4% supplement (unless the car is registered on or after 1 September 2017 and meets the Euro 6d emissions standard) but the maximum is still 37%. For emissions of 75g/km or more if the CO<sub>2</sub> figure does not end in a 5 or 0 round down to the nearest 5 or 0.

### 2024/25

Car fuel benefit	£27,800
Van benefit	£3,960
Van fuel benefit	£757

## Capital Allowances

**First Year Allowance (FYA)** on certain plant, machinery and cars of 0g/km (for cars purchased before 1 April 2025) **100%**

**Corporation tax FYA ('full expensing')** on certain new, unused plant and machinery from 1 April 2023 **100%**

**Corporation tax FYA** on new, unused long-life assets, integral features of buildings, etc. from 1 April 2023 **50%**

**Annual Investment Allowance £1,000,000** excluding cars

### Writing Down Allowance

Long-life assets, integral features of buildings, cars over 50g/km **6%**

Other plant and machinery **18%**

**Structures and Buildings Allowance** **3%**

## Value Added Tax

	From 1.4.24	From 1.4.23
Standard rate	20%	20%
Reduced rate	5%	5%
Annual Registration Limit	£90,000	£85,000
Annual Deregistration Limit	£88,000	£83,000

## Capital Gains Tax

Individuals	2024/25	2023/24
Exemption	£3,000	£6,000
Standard rate	10%	10%
Higher/additional rate	20%	20%
Trusts		
Exemption	£1,500	£3,000
Rate	20%	20%

Higher rates (18/24% for 2024/25 and 18/28% for 2023/24) may apply to the disposal of certain residential property.

### Business Asset Disposal Relief

The first £1m of qualifying gains are charged at 10%.

## Property Taxes

Across the whole of the UK, residential rates may be increased by 3% (4% in Wales and 6% in Scotland) where further residential properties are acquired.

### Stamp Duty Land Tax

 Land and buildings in England and N. Ireland

Residential* Band £	Rate %	Non-residential Band £	Rate %
0 - 250,000	0	0 - 150,000	0
250,001 - 925,000	5	150,001 - 250,000	2
925,001 - 1,500,000	10	Over 250,000	5
Over 1,500,000	12		

First-Time Buyer relief may apply to residential purchases up to £825,000.\*

\*The residential property rules are scheduled to change from 1 April 2025.

### Land and Buildings Transaction Tax

 Land and buildings in Scotland

Residential Band £	Rate %	Non-residential Band £	Rate %
0 - 145,000	0	0 - 150,000	0
145,001 - 250,000	2	150,001 - 250,000	1
250,001 - 325,000	5	Over 250,000	5
325,001 - 750,000	10		
Over 750,000	12		

First-Time Buyer relief may apply on the first £175,000 of residential purchases.

### Land Transaction Tax

 Land and buildings in Wales

Residential Band £	Rate %	Non-residential Band £	Rate %
0 - 225,000	0	0 - 225,000	0
225,001 - 400,000	6	225,001 - 250,000	1
400,001 - 750,000	7.5	250,001 - 1,000,000	5
750,001 - 1,500,000	10	Over 1,000,000	6
Over 1,500,000	12		

**Disclaimer:** Rates are for guidance only. Whilst we take care to ensure the accuracy of this document, no responsibility for loss occasioned by any person acting or refraining from action as a result of this information can be accepted by the authors or firm.

# NOTES

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