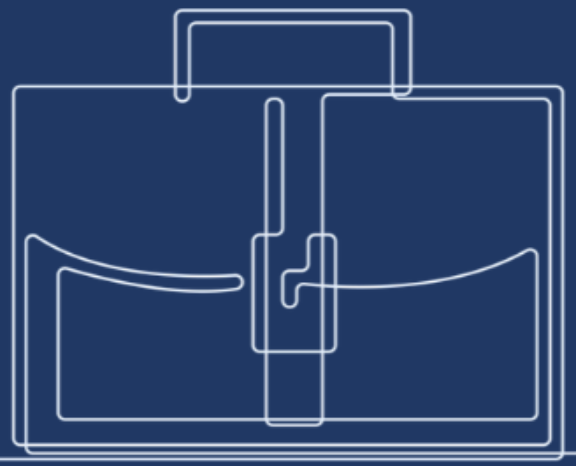
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AUTUMN BUDGET



28th October 2026

5:30pm Arrival

The Courtyard,
Exeter, EX2 7NN

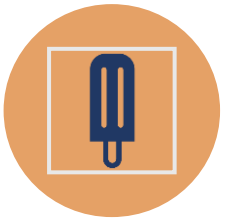
- UK government last budget surplus was in 2001.
- UK debt now nearly 100% of GDP.
- Spending on debt interest more than on education.
- The government has little to no room for increasing spending or reducing taxes.
- Government still forecasting to close the deficit by the end of this parliament.

INCOME TAX RATES 2026/27

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Personal allowances and rates still frozen.



Does this further strengthen the case for rental properties or investment in limited companies?



£50,270 needs to be earned before paying income tax at the higher rate.



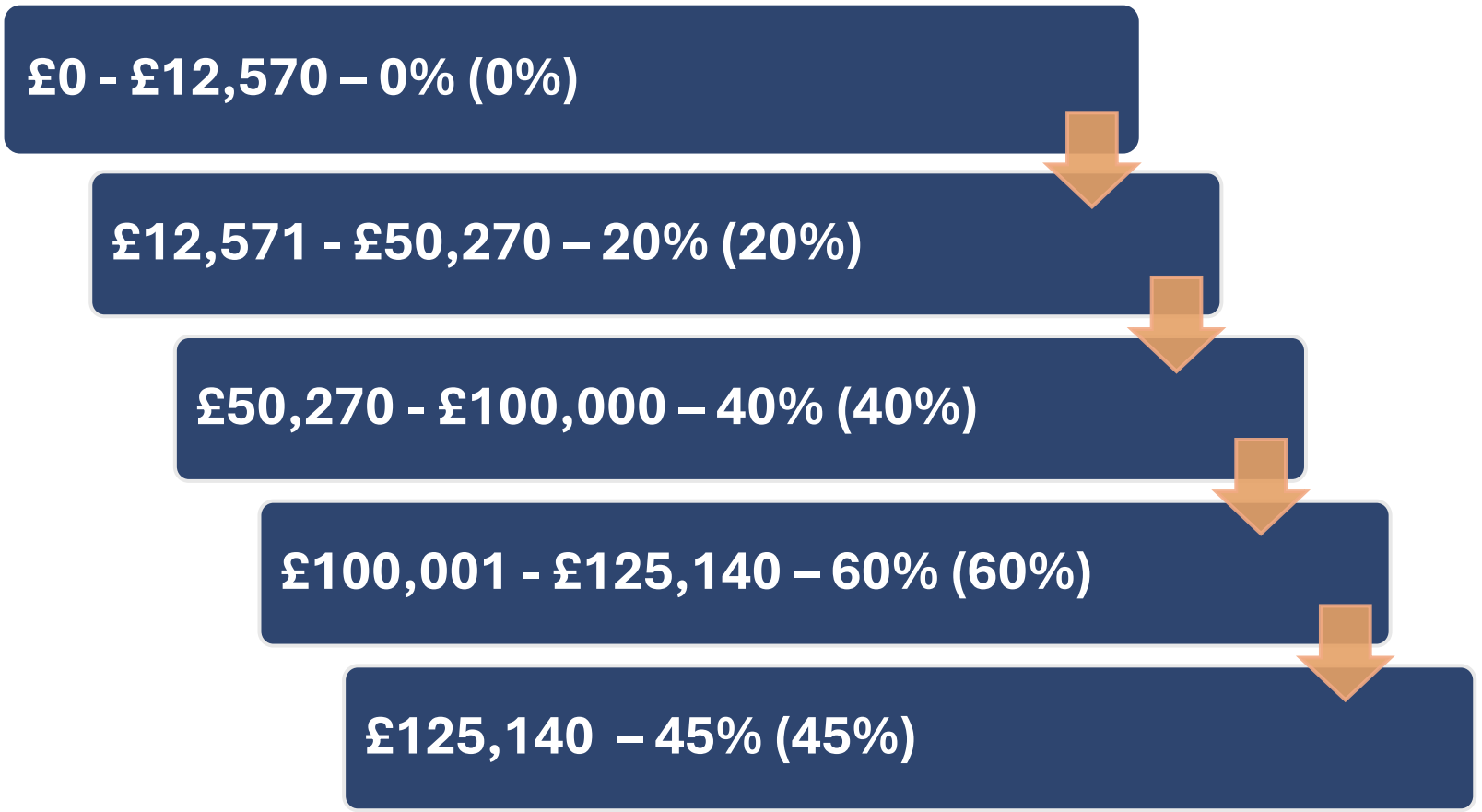
The additional rate threshold is £125,140



Tax on savings and rental income to increase by 2% from April 2027 on top of the 2% already announced (so 4%)!

INCOME TAX RATES 2026/27

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DIVIDEND TAX RATES

No further changes announced. Ordinary and upper rates increased by 2% last year.

2025/26		2026/27	
£500	0%	£500	0%
Ordinary Rate	10.75%	Ordinary Rate	10.75%
Upper Rate	35.75%	Upper Rate	35.75%
Additional Rate	39.35%	Additional Rate	39.35%

CAPITAL GAINS TAX

No change to main rates of CGT.

The CGT Annual Exemption of £3,000 for 2024/25 and future years. (Trusts have half of these amounts)

Business asset disposal relief limit reduced from £1,000,000 to £500,000. New limit to apply from 6 April 2027.

New ‘Founders relief’ for qualifying founders of high growth and innovative companies from April 2027. Definition of ‘founders’ TBC.

The rate of CGT on disposals qualifying for Founders Relief will be 10% on a limit of £10,000,0000.

Sounds a lot like entrepreneur’s relief!

No further changes announced.

A reminder that pension funds come into inheritance tax from April 2027.

Relief for business property and agricultural property – value previously increased to £2.5m from £1.0m.

No changes to 7 year gift rule or gifts out of income – these are still potentially valuable reliefs.

PENSION TAX ALLOWANCE

Pensioners with income at or under the value of the new state pension will not be brought into paying tax.

£100 allowance to help with fuel bills for council tax bands A-D.

CORPORATION TAX RATES

- **Financial Year 2026/2027 – no changes.**
- Main rate of Corporation Tax - 25% - Profits Over £250,000.
- Small Profits Rate – 19% - Profits of £50,000 or less
- Companies with profits of between £50,000 and £250,000 are taxed at 25% but subject to a claim for marginal relief.
- Marginal Tax Rate 26.5%
- Bank levy – an extra 3% for 15 months from January 2027, to pay for support for fuel bills.

R&D RELIEF UPDATE

- Aggressive attacks by HMRC – Letters suggesting Fraud!
- For qualifying SME's the relief is currently 86% of qualifying R&D.
- So if a company incurs £100,000 of qualifying expenditure, they are entitled to an additional £86,000 of corporation tax relief for expenditure prior to 1 April 2024 => A tax saving of £32,500 (at 25% CT rate).
- If a company makes a loss it can opt to claim an R&D tax credit at 10% (subject to PAYE paid)
- Process to be simplified from April 2027.

CAPITAL ALLOWANCES

- Annual investment allowance - £1,000,000.
- Qualifying plant and machinery/integral features but excluding cars
- Writing Down Allowances can be claimed at 18%/6%
- FYA on Electric Charging Points extended to 31 March 2025/5 April 2025
- **Writing down allowances from 14% down to 12%.**
- **Timing of capital expenditure is always critical.**

BUSINESS RATES

- Extra 20% reduction for pubs, music venues and social clubs.
- Increase in small business rates relief threshold from £12,000 to £18,000 rateable value.
- All other retail, hospitality and leisure properties frozen for 2 years.
- But not gambling or vape shops.

MILAGE RATES

- Top rate for first 10,000 miles now 55p
- Lower rate to increase from 25p to 35p
- Don’t forget 3p per mile tax charge on electric cars from April 2027.
- Van and car benefits to increase with CPI from April 2027.

National Living Wage Increases by 3.9% from April 2027.

○ National Living Wage	£13.20 (£12.71)
○ 21 – 22-Year-Old Rate	£13.20 (£12.71)
○ 18 – 20-Year-old-Rate	£11.27 (£10.85)

INCREASING HMRC COMPLIANCE

- An extra 670 compliance office on top of previous commitment to increase by 5,500.
- New power to enable direct recovery of lower value tax debts.
- Requiring direct debit payments for VAT and PAYE from April 2029.
- But deferring of further rollout of MTD until further notice. (Details TBC!)

SDLT AND OTHER PROPERTY TAXES

- No changes announced.
- ATED to increase by 3.5% in line with CPI.
- As a reminder ATED returns are due on properties worth more than £500,000 held within limited companies.
- Mansion tax not mentioned but currently due to come in April 2028.

BENEFITS IN KIND

- Payrolling benefits from April 2027 (was 2026).
- We will be communicating requirements to all of our payroll clients very soon.

VAT

Statutory registration threshold remains £90,000.

VAT on online market places to be extended to UK businesses from October 2027.

Temporary VAT relief on domestic electricity bills extended to July 2027.

OTHER MATTERS

Trading allowance to increase from £1,000 to £3,000.

MGD to increase from 20% to 25% on high value machines.

Fuel duty frozen until July 2027.

‘More frequent payments for self assessment’ – will this align with MTD? From April 2029.

THANK YOU

GET IN TOUCH…



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Autumn Budget 2026

Milo Hallyburton

29 October 2026

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Cash ISA Allowance remains at £20,000

- This reverses the planned reduction to £12,000, giving clients more flexibility to hold tax free cash

New First Time Buyer ISA

- A replacement for the Lifetime ISA, with existing Lifetime ISA holders guaranteed to at least receive their contributions back under the announced policy.

New Founders' Relief

- A 10% tax rate on qualifying lifetime gains up to £10million could materially affect business exit and succession planning.

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