



HM Revenue
& Customs

Policy paper

Autumn Budget 2024 — Overview of tax legislation and rates (OOTLAR)

Published 30 October 2024

Contents

Introduction

Chapter 1 — Finance Bill 2024-25

Chapter 2 — Measures announced at Autumn Budget 2024 but not in the Finance Bill 2024-25

Table 1 — Measures in this document without a corresponding announcement in the Budget report



© Crown copyright 2024

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3 or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at <https://www.gov.uk/government/publications/autumn-budget-2024-overview-of-tax-legislation-and-rates-ootlar/841ddc37-58e0-4d3f-9b53-123e8903d274>

Introduction

This document sets out the detail of each tax policy measure announced at Autumn Budget 2024 and of previously announced measures that will be included in Finance Bill 2024-25. It is intended for tax practitioners and others with an interest in tax policy changes, especially those who will be involved in consultations both on the policy and on draft legislation.

All of the following listed measures are applicable UK-wide, unless specified otherwise.

The information in the document is set out as follows:

[Chapter 1](#) contains details of all measures that are included in Finance Bill 2024-25.

[Chapter 2](#) contains details of measures which are part of Autumn Budget 2024 but are not in Finance Bill 2024-25.

[Table 1](#) lists measures in this document without a corresponding announcement in Autumn Budget 2024.

[Annex A \(/government/publications/autumn-statement-2024-overview-of-tax-legislation-and-rates-ootlar/annex-a-rates-and-allowances\)](/government/publications/autumn-statement-2024-overview-of-tax-legislation-and-rates-ootlar/annex-a-rates-and-allowances) provides tables of tax rates and allowances for the tax year 2024 to 2025 and the tax year 2025 to 2026.

[Annex B \(/government/publications/autumn-statement-2024-overview-of-tax-legislation-and-rates-ootlar/annex-b-impact-assessments-in-tax-information-and-impact-notes\)](/government/publications/autumn-statement-2024-overview-of-tax-legislation-and-rates-ootlar/annex-b-impact-assessments-in-tax-information-and-impact-notes) provides a guide to the impact assessments set out in tax information and impact notes.

Chapter 1 — Finance Bill 2024-25

Personal Tax

1.1 Income Tax charge and rate

The government will introduce legislation in Finance Bill 2024-25 to set the charge for Income Tax, and the corresponding rates, as it does every year.

Finance Bill 2024-25 will set the:

- main rates for tax year 2025 to 2026, which will apply to non-savings, non-dividend income of taxpayers in England, Wales, and Northern Ireland
- savings rates for tax year 2025 to 2026, which will apply to savings income of all UK taxpayers
- default rates for tax year 2025 to 2026, which will apply to non-savings, non-dividend income of taxpayers who are not subject to the main rates of Income Tax, Welsh rates of Income Tax or the Scottish rates of Income Tax

Income Tax rates and rate limits on non-savings and non-dividend income for Scottish taxpayers are set by the Scottish Parliament. The UK rates are reduced by 10 pence in £1 for Welsh taxpayers, and the Welsh rates of Income Tax for non-savings and non-dividend income are set by the Welsh Parliament, and added to the UK rates.

1.2 Starting rate for savings

As announced at Autumn Budget 2024, the government will introduce legislation in Finance Bill 2024-25 to retain the 0% band for the starting rate for savings income at its current value of £5,000 for tax year 2025 to 2026. This measure will apply to the whole of the UK.

1.3 Changes to the taxation of non-UK domiciled individuals

As announced at Autumn Budget 2024, 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 4 years of tax residence. From 6 April 2025, the government will introduce a new residence-based system for Inheritance Tax and scrap the planned 50% reduction in foreign income subject to tax in the first year of the new regime.

For Capital Gains Tax purposes, current and past remittance basis users will be able to rebase personally held foreign assets to 5 April 2017 on a disposal where certain conditions are met. Overseas Workday Relief will be retained and reformed, extending to a 4 year period and removing the need to keep the income offshore.

The amount claimed annually will be limited to the lower of £300,000 or 30% of the employee's net employment income.

The government is extending the Temporary Repatriation Facility to 3 years, expanding the scope to offshore structures, and simplifying the mixed fund rules to encourage individuals to spend and invest their FIG in the UK.

A technical note has been published alongside the Autumn Budget 2024.

The government is also publishing a call for evidence on the personal tax offshore anti-avoidance rules. This call for evidence seeks to understand and identify areas where the personal tax offshore anti-avoidance rules could be improved or updated.

The tax information and impact note for this measure provides more information: [Tax changes for non-UK domiciled individuals](https://www.gov.uk/government/publications/tax-changes-for-non-uk-domiciled-individuals) (<https://www.gov.uk/government/publications/tax-changes-for-non-uk-domiciled-individuals>)

1.4 Inheritance Tax nil-rate band and residence nil-rate band

As announced at Autumn Budget 2024, the Inheritance Tax nil-rate bands are already set at current levels until 5 April 2028, and the government will introduce legislation in Finance Bill 2024-25 to fix these levels for a further 2 years until 5 April 2030. The:

- nil-rate band will continue at £325,000
- residence nil-rate band will continue at £175,000
- residence nil-rate band taper will continue to start at £2 million

Qualifying estates can continue to pass on up to £500,000 and the qualifying estate of a surviving spouse or civil partner can continue to pass on up to £1 million without an inheritance tax liability.

The tax information and impact note for this measure provides more information: [Inheritance Tax nil-rate band and residence nil-rate bands from 6 April 2028](https://www.gov.uk/government/publications/inheritance-tax-nil-rate-band-and-residence-nil-rate-bands-from-6-april-2028) (<https://www.gov.uk/government/publications/inheritance-tax-nil-rate-band-and-residence-nil-rate-bands-from-6-april-2028>)

1.5 Reducing tax-free overseas transfers of tax-relieved UK pensions

As announced at Autumn Budget 2024, the government will introduce legislation in Finance Bill 2024-25 to:

- remove the exclusion from the Overseas Transfer Charge (OTC) of transfers to Qualifying Recognised Overseas Pension Schemes (QROPS) established in the European Economic Area (EEA) and Gibraltar, where the member is resident in the UK or an EEA state — this will mean that pension transfers from tax relieved UK pensions to QROPS in the EEA and Gibraltar will now be subject to a 25% charge, unless another exclusion applies, bringing their treatment in line with transfers to QROPS established in the rest of the world — the measure will take effect from 30 October 2024
- bring the conditions for a scheme to be an Overseas Pension Schemes (OPS) and Recognised Overseas Pension Schemes (ROPS) established

in the EEA in line with those for OPS and ROPS established in the rest of the world, so that from 6 April 2025, OPS established in the EEA will be required to be regulated by a regulator of pension schemes in that country, and ROPS established in the EEA must be established in a country with which the UK has either a Double Tax Agreement which allows for exchange of information or a Tax Information Exchange Agreement

- require scheme administrators of registered pension schemes to be UK resident from 6 April 2026

The tax information and impact note for this measure provides more information: [Changes to rules for overseas pensions and scheme administrators](https://www.gov.uk/government/publications/changes-to-rules-for-overseas-pensions-and-scheme-administrators) (<https://www.gov.uk/government/publications/changes-to-rules-for-overseas-pensions-and-scheme-administrators>)

1.6 Clarification of taxable status of Statutory Neonatal Care Pay

As announced at Autumn Budget 2024, the government will introduce legislation in Finance Bill 2024-25 to clarify the Income Tax treatment of the Statutory Neonatal Care Pay Scheme, which is part of the Employment Rights Bill.

Legislation in the Finance Bill 2024-25 will confirm that Statutory Neonatal Care Pay is taxable as social security income. This measure will have effect on and after the date of Royal Assent to Finance Bill 2024-25.

The tax information and impact note for this measure provides more information: [Tax treatment of Statutory Neonatal Care Pay: Income Tax](https://www.gov.uk/government/publications/tax-treatment-of-statutory-neonatal-care-pay-income-tax) (<https://www.gov.uk/government/publications/tax-treatment-of-statutory-neonatal-care-pay-income-tax>)

1.7 Employment Related Securities (ERS) changes — consequential to the Neonatal Care (Leave and Pay) Act 2023

As announced at Autumn Budget 2024, the government will introduce legislation in Finance Bill 2024-25 to ensure that the notice an employer must provide to an employee under a Share Incentive Plan regarding the possible effect of deductions from salary on entitlement to social security benefits and statutory payments will also refer to Statutory Neonatal Care Pay. The changes will take effect from 6 April 2025.

The tax information and impact note for this measure provides more information: [Share Incentive Plan — consequential change because of the Neonatal Care \(Leave and Pay\) Act 2023](https://www.gov.uk/government/publications/share-incentive-plan-consequential-change-because-of-the-neonatal-care-leave-and-pay-act-2023) (<https://www.gov.uk/government/publications/share-incentive-plan-consequential-change-because-of-the-neonatal-care-leave-and-pay-act-2023>)

Corporate Tax

1.8 Corporation Tax charge and rate

The government will introduce legislation in Finance Bill 2024-25 to set the charge for Corporation Tax as it does every year, and to maintain the main rate at 25% and the small profits rate at 19%, for the financial year beginning 1 April 2026.

1.9 Changes to the Capital Gains Tax (CGT) rates

As announced at Autumn Budget 2024, the government will introduce legislation in Finance Bill 2024-25 to increase the main rates of Capital Gains Tax (CGT) from 10% and 20% to 18% and 24% respectively. The change will take effect for disposals made on or after 30 October 2024.

The rate of CGT for Business Asset Disposal Relief and Investors' Relief is increasing to 14% for disposals made on or after 6 April 2025, and from 14% to 18% for disposals made on or after 6 April 2026.

No changes will be made to the 18% and 24% rates of Capital Gains Tax that apply to residential property gains.

The tax information and impact note for this measure provides more detail: [Changes to the rates of Capital Gains Tax](https://www.gov.uk/government/publications/changes-to-the-rates-of-capital-gains-tax) (<https://www.gov.uk/government/publications/changes-to-the-rates-of-capital-gains-tax>)

1.10 Capital Gains Tax — Investors' Relief — reduction in the lifetime limit

As announced at Autumn Budget 2024, the government will introduce legislation in the Finance Bill 2024-25 to reduce the Investors' Relief lifetime limit from £10 million to £1 million for Investors' Relief qualifying disposals made on or after 30 October 2024.

The tax information and impact note for this measure provides more detail: [Capital Gains Tax: Investors' Relief — lifetime limit reduction](https://www.gov.uk/government/publications/capital-gains-tax-investors-relief-lifetime-limit-reduction) (<https://www.gov.uk/government/publications/capital-gains-tax-investors-relief-lifetime-limit-reduction>)

1.11 Carried interest taxation reform

As announced in July 2024, and as confirmed in Autumn Budget 2024, the government will reform the way carried interest is taxed, ensuring that this is in line with the economic characteristics of the reward.

From April 2026, the tax regime will be within the Income Tax framework, with a 72.5% multiplier applied to qualifying carried interest that is brought

into charge. As an interim step, the government will introduce legislation in Finance Bill 2024-25 to increase the 2 Capital Gains Tax rates for carried interest to 32% from 6 April 2025.

The government published a summary of responses to the call for evidence from earlier this year. This publication includes a summary of responses to the call for evidence and outlines the next steps, including a consultation on introducing further conditions of access into the regime.

The tax information and impact note for this measure provides more information: [Carried interest: rates of Capital Gains Tax](https://www.gov.uk/government/publications/carried-interest-rates-of-capital-gains-tax)
(<https://www.gov.uk/government/publications/carried-interest-rates-of-capital-gains-tax>)

1.12 Energy Profits Levy (EPL) reform 2024

As announced at the July Statement 2024, the government will introduce legislation in Finance Bill 2024-25 to provide for changes to the Energy Profits Levy (EPL). The legislation will increase the rate of the levy by 3 percentage points to 38% and the sunset clause will be extended to 31 March 2030. The legislation will remove the 29% investment allowance, and the rate of the decarbonisation allowance will be set at 66% to broadly maintain the cumulative value of relief for decarbonisation expenditure. These changes will take effect from 1 November 2024.

The government has also announced that it will publish a consultation in early 2025 on how it will respond to price shocks once the EPL ends.

The tax information and impact note for this measure provides more information: [Energy Profits Levy reforms 2024](https://www.gov.uk/government/publications/energy-profits-levy-reforms-2024)
(<https://www.gov.uk/government/publications/energy-profits-levy-reforms-2024>)

1.13 Relief for payments made into a Carbon Capture Usage and Storage (CCUS) decommissioning fund

As announced at Autumn Budget 2024, the government will introduce legislation in Finance Bill 2024-25 to provide relief for certain payments made by oil and gas companies into decommissioning funds where assets are transferred for use in CCUS activities, to maintain the tax treatment had these assets instead been decommissioned. It will also exempt associated receipts received by oil and gas companies from the Energy Profits Levy. The changes will take effect from Royal Assent to Finance Bill 2024-25.

The tax information and impact note for this measure provides more information: [Oil and Gas taxes: providing relief for certain payments made into Carbon Capture Usage and Storage decommissioning funds](https://www.gov.uk/government/publications/oil-and-gas-taxes-providing-relief-for-certain-payments-made-into-carbon-capture-usage-and-storage-decommissioning-funds)
(<https://www.gov.uk/government/publications/oil-and-gas-taxes-providing-relief-for-certain-payments-made-into-carbon-capture-usage-and-storage-decommissioning-funds>)

1.14 Stamp Duty Land Tax — increase to the higher rates on additional dwellings (and the single rate of tax on purchases by non-natural persons)

As announced at Autumn Budget 2024, the government will introduce legislation in Finance Bill 2024-25 to increase the higher rates of Stamp Duty Land Tax (SDLT), payable by purchasers of additional dwellings and by companies, from 3% to 5% above the standard residential rates. The government will also increase the single rate of SDLT payable by companies and non-natural persons acquiring dwellings for more than £500,000, from 15% to 17%.

The changes will apply to transactions with an effective date on or after 31 October 2024.

The tax information and impact note for this measure provides more information: [Stamp Duty Land Tax: Increase to the higher rates of Stamp Duty Land Tax and to the single rate payable by non-natural persons](https://www.gov.uk/government/publications/stamp-duty-land-tax-increase-to-the-higher-rates-of-stamp-duty-land-tax-and-to-the-single-rate-payable-by-non-natural-persons) (<https://www.gov.uk/government/publications/stamp-duty-land-tax-increase-to-the-higher-rates-of-stamp-duty-land-tax-and-to-the-single-rate-payable-by-non-natural-persons>)

1.15 Abolition of Furnished Holiday Lets (FHL) tax regime

As announced at the July Statement 2024, the government will introduce legislation in Finance Bill 2024-25 to remove the specific tax treatment and separate reporting requirements for Furnished Holiday Lettings (FHL).

Income and gains from a FHL will form part of the person's UK or overseas property business. These changes will take effect on or after 6 April 2025 for Income Tax and Capital Gains Tax and from 1 April 2025 for Corporation Tax and for Corporation Tax on chargeable gains.

The tax information and impact note for this measure provides more information: [Furnished holiday lettings tax regime abolition](https://www.gov.uk/government/publications/furnished-holiday-lettings-tax-regime-abolition) (<https://www.gov.uk/government/publications/furnished-holiday-lettings-tax-regime-abolition>)

1.16 Alternative finance — Tax rules for alternative finance

As announced at Autumn Budget 2024, the government will introduce legislation in the Finance Bill 2024-25 making changes to certain alternative finance tax rules for Capital Gains Tax, Corporation Tax, Income Tax and Annual Tax on Enveloped Dwellings.

These changes, which apply from 30 October 2024, will ensure that tax consequences are the same for those using alternative and conventional financing arrangements across the UK.

This change follows a consultation on alternative refinancing arrangements. The summary of responses to the 2024 consultation was also published at Autumn Budget 2024.

The tax information and impact notes for this measure provides more information: [Changes to alternative finance tax rules \(refinancing\)](https://www.gov.uk/government/publications/changes-to-alternative-finance-tax-rules-refinancing) (<https://www.gov.uk/government/publications/changes-to-alternative-finance-tax-rules-refinancing>)

[Annual Tax on Enveloped Dwellings: changes to alternative finance rules](https://www.gov.uk/government/publications/annual-tax-on-enveloped-dwellings-changes-to-alternative-finance-rules) (<https://www.gov.uk/government/publications/annual-tax-on-enveloped-dwellings-changes-to-alternative-finance-rules>)

1.17 Taxation of Employee Ownership Trusts and Employee Benefits Trusts

As announced at Autumn Budget 2024, following a consultation, the government will introduce legislation in Finance Bill 2024-25 for a package of reforms to the taxation of Employee Ownership Trusts and Employee Benefit Trusts.

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.

The summary of responses to the 2023 consultation was also published at Autumn Budget 2024.

The tax information and impact note for this measure provides more information: [Changes to the taxation of Employee Ownership Trusts and Employee Benefit Trusts](https://www.gov.uk/government/publications/changes-to-the-taxation-of-employee-ownership-trusts-and-employee-benefit-trusts) (<https://www.gov.uk/government/publications/changes-to-the-taxation-of-employee-ownership-trusts-and-employee-benefit-trusts>)

1.18 Close company shareholders — anti avoidance measure

As announced at Autumn Budget 2024, the government will introduce legislation in Finance Bill 2024-25 to prevent avoidance of the section 455 [Corporation Tax Act 2010](https://www.legislation.gov.uk/ukpga/2010/4/section/455) (<https://www.legislation.gov.uk/ukpga/2010/4/section/455>) (Loans to Participators) charge, by ensuring that the Targeted Anti-Avoidance Rule (TAAR) remains robust and effective.

The change repeals the relief for return payments where the TAAR has applied and moves the related legislation together for clarity.

The changes will take effect from 30 October 2024 and specifically will apply to return payments made on or after that date.

The tax information and impact note for this measure provides more information: [Corporation Tax — close company shareholders — anti-avoidance measure](https://www.gov.uk/government/publications/corporation-tax-close-company-shareholders-anti-avoidance-measure) (<https://www.gov.uk/government/publications/corporation-tax-close-company-shareholders-anti-avoidance-measure>)

1.19 Changes to tax rules on liquidations of Limited Liability Partnerships (LLP) from 30 October 2024

As announced at Autumn Budget 2024, the government will introduce legislation in the Finance Bill 2024-25 to change the taxation of capital gains rules that apply to the liquidation of Limited Liability Partnerships (LLP) from 30 October 2024.

A tax charge will arise where an LLP is liquidated, and assets are disposed of to the contributing member, or a person connected to them. The tax liability will arise on the chargeable gains made at the time the asset was contributed to the LLP.

The tax information and impact note for this measure provides more information: [Capital Gains Tax: Limited Liability Partnership liquidations](https://www.gov.uk/government/publications/capital-gains-tax-limited-liability-partnership-liquidations) (<https://www.gov.uk/government/publications/capital-gains-tax-limited-liability-partnership-liquidations>)

1.20 Capital allowances — extending first-year allowances for zero-emission cars and electric vehicle charge-points

As announced at Autumn Budget 2024, the government will introduce legislation in Finance Bill 2024-25 to extend the 100% first-year allowances for zero-emission cars and electric vehicle charge-points until:

- 31 March 2026 for Corporation Tax
- 5 April 2026 for Income Tax

The tax information and impact note for this measure provides more information: [Capital Allowances: extension of first-year allowances for zero-emission cars and electric vehicle charging points](https://www.gov.uk/government/publications/capital-allowances-extension-of-first-year-allowances-for-zero-emission-cars-and-electric-vehicle-charging-points) (<https://www.gov.uk/government/publications/capital-allowances-extension-of-first-year-allowances-for-zero-emission-cars-and-electric-vehicle-charging-points>)

1.21 Agricultural Property Relief and environmental land management

As announced at Autumn Budget 2024, the government will introduce legislation in the Finance Bill 2024-25 to extend the existing scope of Agricultural Property Relief from 6 April 2025 to land managed under an environmental agreement with, or on behalf of, the UK government, devolved governments, public bodies, local authorities, or approved responsible bodies.

The tax information and impact note for this measure provides more information: [Agricultural Property Relief and environmental land management](https://www.gov.uk/government/publications/agricultural-property-relief-and-environmental-land-management) (<https://www.gov.uk/government/publications/agricultural-property-relief-and-environmental-land-management>)

1.22 Multinational Top-up Tax — undertaxed profits rule (UTPR)

As announced in July 2024 and as confirmed in the Autumn Budget 2024, the government will introduce the undertaxed profits rule (UTPR) contained within the Pillar 2 rules. The government will introduce legislation in Finance Bill 2024-25 to implement the UTPR.

The UTPR is the UK's adoption of the third and final Pillar 2 rule. Pillar 2 is an international agreement to help tackle profit shifting and aggressive tax planning by multinationals.

The UTPR is implemented by amending the Multinational Top-up Tax and Domestic Top-up Tax rules contained within [Finance \(No.2\) Act 2023](https://www.legislation.gov.uk/ukpga/2023/30/contents) (<https://www.legislation.gov.uk/ukpga/2023/30/contents>) and will take effect for accounting periods beginning on or after 31 December 2024.

Draft legislation for the UTPR was published for consultation on 18 July and 27 September 2023. Changes have been made reflecting stakeholder feedback.

The tax information and impact note for this measure provides more information: [Pillar 2: adoption of the undertaxed profits rule](https://www.gov.uk/government/publications/pillar-2-adoption-of-the-undertaxed-profits-rule) (<https://www.gov.uk/government/publications/pillar-2-adoption-of-the-undertaxed-profits-rule>).

1.23 Multinational Top-up Tax (MTT) and Domestic Top-up Tax (DTT) — amendments

Further to the implementation of Multinational Top-up Tax (MTT) and Domestic Top-up Tax (DTT) in the [Finance \(No.2\) Act 2023](https://www.legislation.gov.uk/ukpga/2023/30/contents) (<https://www.legislation.gov.uk/ukpga/2023/30/contents>) (and subsequent amendments in [Finance Act 2024](https://www.legislation.gov.uk/ukpga/2024/3/contents) (<https://www.legislation.gov.uk/ukpga/2024/3/contents>)), the government will introduce legislation in Finance Bill 2024-25 to make additional amendments to the MTT and DTT legislation.

These amendments will include the introduction of the transitional country by country reporting safe harbour anti-arbitrage rule. Draft legislation for this rule was published for consultation at July Statement 2024. Minor changes have been made reflecting responses received.

These taxes are the UK's adoption of Pillar 2, an international agreement to help tackle profit shifting and aggressive tax planning by multinationals. The amendments reflect recent internationally agreed guidance and technical

adjustments to ensure the rules work effectively. They will mainly take effect for accounting periods beginning on or after 31 December 2024, although some amendments will have effect from 31 December 2023. The anti-arbitrage rule will take effect from 14 March 2024, the date of its announcement by Written Ministerial Statement.

Provision is being made for certain territories and domestic minimum top-up taxes to have qualifying or accredited status in accounting periods ending before regulations are made specifying particular territories and taxes.

The tax information and impact note for this measure provides more information: [Pillar 2: Multinational Top-up Tax and Domestic Top-up Tax amendments](https://www.gov.uk/government/publications/pillar-2-multinational-top-up-tax-and-domestic-top-up-tax-amendments) (<https://www.gov.uk/government/publications/pillar-2-multinational-top-up-tax-and-domestic-top-up-tax-amendments>)

1.24 Offshore Receipts in Respect of Intangible Property (ORIP) repeal

The government confirmed at Autumn Budget 2024 that it will repeal the Offshore Receipts in Respect of Intangible Property (ORIP) rules in Finance Bill 2024-25.

The ORIP legislation at Chapter 2A of Part 5 [Income Tax \(Trading and Other Income\) Act 2005](https://www.legislation.gov.uk/ukpga/2005/5/contents) (<https://www.legislation.gov.uk/ukpga/2005/5/contents>) will not apply to income arising from 31 December 2024.

The tax information and impact note for this measure provides more information: [Repeal of the Offshore Receipts in Respect of Intangible Property \(ORIP\) rules](https://www.gov.uk/government/publications/repeal-of-the-offshore-receipts-in-respect-of-intangible-property-orig-rules) (<https://www.gov.uk/government/publications/repeal-of-the-offshore-receipts-in-respect-of-intangible-property-orig-rules>)

1.25 Additional tax relief for visual effects (VFX)

As announced at Autumn Budget 2024, the government will introduce legislation in Finance Bill 2024-25 for film and high-end TV companies to claim an enhanced 39% rate of Audio-Visual Expenditure Credit (AVEC) on their UK visual effects (VFX) costs. UK VFX costs will be exempt from the AVEC's 80% cap on qualifying expenditure. The changes will take effect from 1 April 2025, for expenditure incurred on or after 1 January 2025.

The tax information and impact note for this measure provides more information: [Corporation Tax: additional tax credit for visual effects \(VFX\) expenditure](https://www.gov.uk/government/publications/corporation-tax-additional-tax-credit-for-visual-effects-vfx-expenditure) (<https://www.gov.uk/government/publications/corporation-tax-additional-tax-credit-for-visual-effects-vfx-expenditure>)

1.26 UK reporting for the cryptoasset reporting framework (CARF) and amendments to the Common Reporting Standards (CRS)

As announced at Autumn Budget, the government has published a summary of responses to the consultation entitled 'cryptoasset reporting

framework, Common Reporting Standard amendments, and seeking view on extension to domestic reporting', extending CARF to include reporting on UK resident taxpayers by UK service providers.

The cryptoasset reporting framework (CARF) and amendments to the Common Reporting Standard (CRS) will be implemented in the UK from 1 January 2026.

The government will introduce legislation in Finance Bill 2024-25 to provide the Treasury with the power to make the CARF regulations. HM Treasury will make these CARF regulations in 2025 in time for implementation on 1 January 2026.

1.27 Stamp Duty and Stamp Duty Reserve Tax — power to make Financial Market Infrastructure (FMI) sandbox related changes and exemption for Private Intermittent Securities and Capital Exchange System (PISCES)

As announced at Autumn Budget 2024, the government will introduce legislation in Finance Bill 2024-25 enabling HM Treasury to make Stamp Duty and Stamp Duty Reserve Tax (SDRT) changes in relation to FMI sandboxes, by Statutory Instrument.

This power will apply to FMI sandboxes established under the [Financial Services and Markets Act 2023](https://www.legislation.gov.uk/ukpga/2023/29/contents) (<https://www.legislation.gov.uk/ukpga/2023/29/contents>). In line with the government's commitment to delivering the Private Intermittent Securities and Capital Exchange System (PISCES), the power will be used to provide an exemption from Stamp Duty and SDRT for PISCES transactions.

The power will take effect from Royal Assent to Finance Bill 2024-25. The Statutory Instrument will be introduced to a similar timeline to the legislation that will establish the PISCES regulatory framework.

The tax information and impact note for this measure provides more information: [Stamp Duty and Stamp Duty Reserve Tax — Power to make changes in connection with FMI sandboxes and exemption for PISCES](https://www.gov.uk/government/publications/stamp-duty-and-stamp-duty-reserve-tax-power-to-make-changes-in-connection-with-fmi-sandboxes-and-exemption-for-piscs) (<https://www.gov.uk/government/publications/stamp-duty-and-stamp-duty-reserve-tax-power-to-make-changes-in-connection-with-fmi-sandboxes-and-exemption-for-piscs>).

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

As announced at Autumn Budget 2024, 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.

The tax information and impact note for this measure provides more information: [Income Tax: Company car tax rates 2028 to 2030](https://www.gov.uk/government/publications/income-tax-company-car-tax-rates-2028-to-2030)
(<https://www.gov.uk/government/publications/income-tax-company-car-tax-rates-2028-to-2030>)

Indirect Tax

1.29 VAT on private schools

As announced in July 2024, the government will introduce legislation in Finance Bill 2024-25 to remove the VAT exemption on private school fees.

From 1 January 2025, all education services and vocational training provided by a private school or connected person in the UK for a charge will be subject to VAT at the standard rate of 20%. Pre-payments of fees or boarding services on or after 29 July 2024 that relate to terms starting after 1 January 2025 will also be subject to VAT at the standard rate. The changes will take effect from 30 October 2024.

Following a technical consultation on the draft legislation, a government response was published at Autumn Budget 2024.

The tax information and impact note for this measure provides more information: [VAT on private school fees](https://www.gov.uk/government/publications/vat-on-private-school-fees)
(<https://www.gov.uk/government/publications/vat-on-private-school-fees>).

1.30 Air Passenger Duty (APD) rates for 2025 to 2026

As announced at Spring Budget 2024, the government will introduce legislation in Finance Bill 2024-25 to increase Air Passenger Duty (APD) rates for 2025 to 2026.

The reduced rates for economy passengers will increase in line with RPI, rounded to the nearest pound. This means that domestic and international short-haul economy rates will remain unchanged from 2024 to 2025. The

standard and higher rates will be further increased to help account for recent high inflation.

APD rates are set out at Annex A.

The tax information and impact note for this measure provides more information: [Changes to Air Passenger Duty rates from 1 April 2025](https://www.gov.uk/government/publications/changes-to-air-passenger-duty-rates-from-1-april-2025) (<https://www.gov.uk/government/publications/changes-to-air-passenger-duty-rates-from-1-april-2025>)

1.31 Air Passenger Duty (APD) Rates for 2026 to 2027

As announced at Autumn Budget 2024, the government will introduce legislation in Autumn Finance Bill 2024 to increase Air Passenger Duty (APD) rates for 2026 to 2027.

All rates will be increased by 13%, rounded to the nearest pound, to account in part for previous high inflation and to help maintain the value of APD rates in real terms.

The higher rates that apply to larger private jets will increase by a further 50%. The new rates will apply from 1 April 2026. For the tax year 2027 to 2028 and in subsequent years, APD rates will be rounded to the nearest penny.

In addition, a consultation on extending the scope of the higher rates to all private jets was published at Autumn Budget 2024.

APD rates are set out at Annex A.

The tax information and impact note for this measure provides more information: [Changes to Air Passenger Duty rates from 1 April 2026](https://www.gov.uk/government/publications/changes-to-air-passenger-duty-rates-from-1-april-2026) ([/government/publications/changes-to-air-passenger-duty-rates-from-1-april-2026](https://www.gov.uk/government/publications/changes-to-air-passenger-duty-rates-from-1-april-2026))

1.32 Tobacco duty rates

As announced at Autumn Budget 2024, the government will introduce legislation in Finance Bill 2024-25 to increase the:

- duty rates for all tobacco products by the tobacco duty escalator of 2% above inflation (based on the Retail Price Index (RPI))
- rate for hand-rolling tobacco by an additional 10% above the escalator, to 12% above RPI

The changes will take effect at 6pm on 30 October 2024.

Tobacco duty rates are set out in Annex A.

The tax information and impact note for this measure provides more information: [Tobacco Duty: changes to rates from 30 October 2024](https://www.gov.uk/government/publications/tobacco-duty-changes-to-rates-from-30-october-2024) (<https://www.gov.uk/government/publications/tobacco-duty-changes-to-rates-from-30-october-2024>).

1.33 Vaping products duty (VPD)

The government will introduce a vaping products duty (VPD). Legislation will be included in Finance Bill 2024-25 to allow HMRC to prepare for the introduction of the new duty.

The government will introduce legislation in a future Finance Bill for a single duty rate of £2.20 per 10ml of vaping liquid. The measure will take effect from 1 October 2026, with businesses able to apply for approval from 1 April 2026.

Alongside the introduction of a vaping products duty there will be an equivalent increase in tobacco duties. The government will make a one-off tobacco duty increase of £2.20 per 100 cigarettes or 50 grams of tobacco, effective from 1 October 2026.

1.34 Alcohol Duty uprating

As announced at the Autumn Budget 2024, the government will introduce legislation in Finance Bill 2024-25 to cut alcohol duty rates on draught products below 8.5% alcohol by volume (ABV), by 1.7%, so that an average ABV strength pint will pay 1 pence less in duty.

The government will also increase the discount provided to small producers for non-draught products and maintain the cash discount provided to small producers for draught products, increasing the relative value of Small Producer Relief.

Alcohol duty rates on non-draught products will increase in line with RPI inflation. The simplified rates in the [Travellers' Allowances Order 1994](https://www.legislation.gov.uk/ukSI/1994/955/made) (<https://www.legislation.gov.uk/ukSI/1994/955/made>) have been amended in line with the alcohol duty rates increases. These measures will take effect from 1 February 2025. The current temporary wine easement will also end as planned on 1 February 2025.

Alcohol duty rates are set out in annex A.

The tax information and impact note for this measure provides more information: [Changes to Alcohol Duty rates](https://www.gov.uk/government/publications/changes-to-alcohol-duty-rates) (<https://www.gov.uk/government/publications/changes-to-alcohol-duty-rates>).

1.35 Alcohol Duty Stamps Scheme discontinued

The government will implement the Spring Budget 2024 announcement to end the Alcohol Duty Stamps Scheme. The scheme mandates the tax stamping of larger retail bottles of high strength alcohol, typically spirits. The government will introduce legislation in Finance Bill 2024-25 to end the Scheme from 1 May 2025.

The tax information and impact note for this measure provides more information: [Closing the Alcohol Duty Stamps Scheme](https://www.gov.uk/government/publications/closing-the-alcohol-duty-stamps-scheme) (<https://www.gov.uk/government/publications/closing-the-alcohol-duty-stamps-scheme>).

1.36 Soft Drinks Industry Levy (SDIL) uprating

As announced at Autumn Budget 2024 both the lower and higher rates of the Soft Drinks Industry Levy (SDIL) will increase each year over the next 5 years to reflect the 27% Consumer Price Index (CPI) increase between 2018 and 2024 as well as increase in line with the CPI each year from 1 April 2025. The rate will be adjusted to apply per 10 litres of soft drink.

The annual increase will be the total of a 27% increase to reflect the change in CPI from April 2018 to April 2024, spread equally over the 5 year period from 2025 to 2029 (this equates to a 10 and 13 pence per 10 litres increase per year to the lower and higher rates respectively) and starting from April 2025, CPI inflation over the previous year.

The rates are set out in Annex A.

The tax information and impact note for this measure provides more information: [Increasing the rates of the Soft Drinks Industry Levy](https://www.gov.uk/government/publications/increasing-the-rates-of-the-soft-drinks-industry-levy) (<https://www.gov.uk/government/publications/increasing-the-rates-of-the-soft-drinks-industry-levy>).

1.37 Plastic Packaging Tax rate

As announced at Autumn Budget 2024, the government will legislate in the Finance Bill 2024-25 to increase the rate of Plastic Packaging Tax in line with the Consumer Price Index (CPI).

The change will take effect from 1 April 2025. The rates are set out in Annex A.

1.38 Landfill Tax rates for tax year 2025 to 2026

As announced at the Spring Budget 2024, the government will introduce legislation in Finance Bill 2024-25 to increase the standard and lower rates of Landfill Tax in line with the Retail Price Index (RPI), adjusted to account for high inflation in the period from 2022 to 2024 and rounded up to the nearest 5 pence.

The change will take effect on and after 1 April 2025. The rates of Landfill Tax from 1 April 2025 are set out in Annex A.

Landfill Tax was devolved to the Scottish Parliament in April 2015 and to the Welsh Assembly in April 2018.

The tax information and impact note for this measure provides more information: [Landfill Tax Rates for 2025 to 2026](https://www.gov.uk/government/publications/landfill-tax-rates-for-2025-to-2026) (<https://www.gov.uk/government/publications/landfill-tax-rates-for-2025-to-2026>).

1.39 Aggregates Levy rate for tax year 2025 to 2026

As announced at Autumn Statement 2023, the government will introduce legislation in Finance Bill 2024-25 to increase the rate of Aggregates Levy in line with the Retail Price Index (RPI).

This change will take effect from 1 April 2025 as set out in Annex A.

1.40 Climate Change Levy (CCL) rates for tax year 2026 to 2027

As announced at Autumn Budget 2024, the government will introduce legislation in Finance Bill 2024-25 to raise the main rates of Climate Change Levy (CCL) on electricity, gas and solid fuels in line with the Retail Price Index (RPI) from 1 April 2026.

The main rate of liquefied petroleum gas (LPG) will continue to be frozen.

The reduced rates of CCL will remain at an unchanged fixed percentage of the main rates, therefore the liability for those eligible for the reduced rates will increase proportionately.

The tax information and impact note for this measure provides more information: [Climate Change Levy rates from 1 April 2026](https://www.gov.uk/government/publications/climate-change-levy-rates-from-1-april-2026) (<https://www.gov.uk/government/publications/climate-change-levy-rates-from-1-april-2026>).

1.41 UK Carbon Border Adjustment Mechanism (CBAM) — Finance Bill clauses

As announced in December 2023 and following 2 policy consultations, the government will introduce a new environmental tax known as the UK Carbon Border Adjustment Mechanism (CBAM) from 1 January 2027.

The CBAM will place a carbon price on goods at risk of carbon leakage imported to the UK from the aluminium, cement, fertiliser, hydrogen, iron and steel sectors that are at risk of carbon leakage.

The government will introduce legislation in Finance Bill 2024-25 to allow HMRC to prepare for the introduction of the CBAM. The legislation will also

enable the UK Emissions Trading Scheme Authority to supply relevant data to HM Treasury and HMRC, to support the development of the CBAM.

The legislation will take effect from the date of Royal Assent to Finance Bill 2024-25.

Tax administration and other measures

1.42 Vehicle Excise Duty (VED) standard rates uprating for cars, vans and motorcycles

As announced at Autumn Budget 2024, the government will uprate Vehicle Excise Duty (VED) rates for cars, vans and motorcycles, excluding first year rates for cars, in line with the Retail Price Index (RPI) for tax year 2025 to 2026 from 1 April 2025.

VED rates are set out in Annex A.

The tax information and impact note for this measure provides more information: [Vehicle Excise Duty rates for cars, vans and motorcycles from 1 April 2025](https://www.gov.uk/government/publications/vehicle-excise-duty-rates-for-cars-vans-and-motorcycles-from-1-april-2025) (<https://www.gov.uk/government/publications/vehicle-excise-duty-rates-for-cars-vans-and-motorcycles-from-1-april-2025>)

1.43 Vehicle Excise Duty (VED) first year rates

As announced at Autumn Budget 2024, the government will introduce legislation in Finance Bill 2024-25 to change the Vehicle Excise Duty (VED) first year rates for new cars registered on or after 1 April 2025. These are as follows:

- zero emission cars will pay the lowest first year rate at £10 until 2029 to 2030
- rates for cars emitting 1g/km to 50g/km of CO₂, including hybrid vehicles, will increase to £110
- rates for cars emitting 51g/km to 75g/km of CO₂, including hybrid vehicles, will increase to £130
- all other rates for cars emitting 76g/km of CO₂ and above will double from their current level.

These changes will apply from 1 April 2025.

VED rates are set out in Annex A.

The tax information and impact note for this measure provides more information: [Vehicle Excise Duty first-year rates for cars from 1 April 2025](#)

1.44 Vehicle Excise Duty (VED) consequential amendments

The government will introduce legislation in Finance Bill 2024-25 to make technical amendments, so the legislation for the application of Vehicle Excise Duty (VED) to zero emission vehicles operates as intended. These include amendments to VERA 1994 to:

- clarify the current VED exemption for electric vehicles
- allow for the interpretation of a blank or no data field for CO2 emissions on the Certificate of Conformity to equate to 0g/km for the licensing purposes of zero emission vehicles
- ensure zero emission Light Goods Vehicles registered between 1 January 2007 and 31 December 2008 pay VED in alignment with their internal combustion engine counterparts from 1 April 2025, in line with the original policy intent

The changes will take effect from 1 April 2025.

1.45 Heavy Goods Vehicles (HGV) Vehicle Excise Duty (VED) and HGV Levy rates — tax year 2025 to 2026

As announced at Autumn Budget 2024, the government will introduce legislation in Finance Bill 2024-25 to uprate Vehicle Excise Duty (VED) for Heavy Goods Vehicles (HGVs) in line with the Retail Price Index (RPI) for tax year 2025 to 2026. This will take effect from 1 April 2025.

The government will also uprate the HGV levy in line with the Retail Price Index (RPI) for tax year 2025 to 2026. This will take effect from 1 April 2025.

HGV, VED and HGV Levy rates are set out in Annex A.

The tax information and impact note for this measure provides more information: [Vehicle Excise Duty rates for heavy goods vehicles and Heavy Goods Vehicles Road User Levy from 1 April 2025](https://www.gov.uk/government/publications/vehicle-excise-duty-rates-for-heavy-goods-vehicles-and-heavy-goods-vehicles-road-user-levy-from-1-april-2025)

<https://www.gov.uk/government/publications/vehicle-excise-duty-rates-for-heavy-goods-vehicles-and-heavy-goods-vehicles-road-user-levy-from-1-april-2025>

1.46 Enhanced relief for Research & Development (R&D) intensive small and medium sized enterprise (SME) companies — technical correction to intensity ratio definition

As announced at Autumn Budget 2024, the government will introduce legislation in Finance Bill 2024-25 to amend [Finance Act 2024](https://www.legislation.gov.uk/ukpga/2024/3/contents)

<https://www.legislation.gov.uk/ukpga/2024/3/contents> so that Research & Development (R&D) expenditure qualifying for R&D expenditure credit

(RDEC) will contribute to the calculation of the R&D intensity condition. The change will be retrospective and take effect from 1 April 2023.

The tax information and impact note for this measure provides more information: [Corporation Tax: Research and Development small or medium-sized enterprises rules — technical correction to intensity ratio definition](https://www.gov.uk/government/publications/corporation-tax-research-and-development-small-or-medium-sized-enterprises-rules-technical-correction-to-intensity-ratio-definition) (<https://www.gov.uk/government/publications/corporation-tax-research-and-development-small-or-medium-sized-enterprises-rules-technical-correction-to-intensity-ratio-definition>).

1.47 Amending the cap on relief in the enhanced support for research and development (R&D) intensive SMEs (ERIS) in Northern Ireland

The government will introduce legislation in Finance Bill 2024-25 to amend the [Corporation Tax Act 2009](https://www.legislation.gov.uk/ukpga/2009/4/contents) (<https://www.legislation.gov.uk/ukpga/2009/4/contents>) to include the cap on the ERIS benefit that Northern Ireland companies may receive in any 3 year period.

The benefit is the value of relief claimed which is over the amount which could be claimed under the merged R&D Expenditure Credit (RDEC) scheme. The cap, which will depend on the sector in which the business operates will cumulate with other sources of relevant aid.

The provision allowing Northern Ireland companies to claim ERIS for overseas expenditure on contracting and externally provided workers will also be included in the [Corporation Tax Act 2009](https://www.legislation.gov.uk/ukpga/2009/4/contents) (<https://www.legislation.gov.uk/ukpga/2009/4/contents>), rather than in regulations.

This change will apply to all relevant claims made on or after Autumn Budget 2024 (30 October 2024).

The tax information and impact note for this measure provides more information: [Amending the cap on relief in the enhanced support for Research and Development intensive small or medium-sized enterprises in Northern Ireland](https://www.gov.uk/government/publications/amending-the-cap-on-relief-in-the-enhanced-support-for-research-and-development-intensive-small-or-medium-sized-enterprises-in-northern-ireland) (<https://www.gov.uk/government/publications/amending-the-cap-on-relief-in-the-enhanced-support-for-research-and-development-intensive-small-or-medium-sized-enterprises-in-northern-ireland>)

1.48 Audio-Visual and Video Games Expenditure Credits — administrative measures

The government will introduce legislation in Finance Bill 2024-25 to make some small administrative changes to the Audio-Visual and Video Games Expenditure Credits, affecting the:

- British certification condition
- treatment of unpaid amounts

- regulation-making procedure

The changes will take effect from the date of Royal Assent for the Finance Bill 2024-25.

The tax information and impact note for this measure provides more information: [Audio-Visual and Video Games Expenditure Credits: administrative amendments \(https://www.gov.uk/government/publications/audio-visual-and-video-games-expenditure-credits-administrative-amendments\)](https://www.gov.uk/government/publications/audio-visual-and-video-games-expenditure-credits-administrative-amendments).

1.49 Correcting error in the Taxation (Post-Transition Period) Act 2020

The government will introduce legislation in Finance Bill 2024-25 to amend a minor typographical error in section 4(2)(a) of the [Taxation \(Post-transition Period\) Act 2020 \(https://www.legislation.gov.uk/ukpga/2020/26/contents/enacted\)](https://www.legislation.gov.uk/ukpga/2020/26/contents/enacted). The amendment will remove reference to section 42 (Capital Gains Tax) of the [Finance \(No.2\) Act 2023 \(https://www.legislation.gov.uk/ukpga/2023/30/contents\)](https://www.legislation.gov.uk/ukpga/2023/30/contents) and instead correctly refer to section 47 (Alcohol Duty Charge).

The amendment noted above will take effect from Royal Assent to Finance Bill 2024-25.

1.50 Technical changes relating to Advance Pricing Agreements (APAs) for certain financing arrangements

As announced at Autumn Budget 2024, the government will introduce legislation in Finance Bill 2024-25 to ensure that, in line with HMRC [Statement of Practice 1 \(2012\) \(https://www.gov.uk/government/publications/statement-of-practice-1-2012\)](https://www.gov.uk/government/publications/statement-of-practice-1-2012), Advance Pricing Agreements (APAs) (including Advance Thin Capitalisation Agreements (ATCAs)) can be entered into relating to financing arrangements where those arrangements are only within the scope of the transfer pricing legislation due to persons acting together in relation to those financing arrangements.

There is currently a technical gap in Part 5 [Taxation \(International and Other Provisions\) Act \(TIOPA\) 2010 \(https://www.legislation.gov.uk/ukpga/2010/8/contents\)](https://www.legislation.gov.uk/ukpga/2010/8/contents) which prevents APAs from being entered into in these circumstances. These changes will have effect for all chargeable periods from the introduction of TIOPA 2010.

The tax information and impact note for this measure provides more information: [Corporation Tax: technical changes relating to Advance Pricing Agreements for certain financing arrangements \(https://www.gov.uk/government/publications/corporation-tax-technical-changes-relating-to-advance-pricing-agreements-for-certain-financing-arrangements\)](https://www.gov.uk/government/publications/corporation-tax-technical-changes-relating-to-advance-pricing-agreements-for-certain-financing-arrangements)

Chapter 2 — Measures announced at Autumn Budget 2024 but not in the Finance Bill 2024-25

This chapter contains details of other tax measures announced at Autumn Budget 2024 but are not in the Finance Bill 2024-25. This includes consultations and measures that will be legislated by secondary legislation and future Finance Bills.

Personal Tax

2.1 National Insurance contributions rates and thresholds

As announced at Autumn Budget 2024, the government will use the September Consumer Prices Index (CPI) figure of 1.7% as the basis for uprating the Class 2 and Class 3 National Insurance contributions for the tax year 2025 to 2026. The Class 1 Lower Earnings Limit and Class 2 Small Profits Threshold will also be uprated by September CPI for the 2025 to 2026 tax year.

These changes will be made by secondary legislation that will be laid before parliament ahead of April 2025.

Most National Insurance limits and thresholds will be maintained at 2024 to 2025 levels, until 5 April 2028. Details can be found within Annex A.

2.2 Extension of National Insurance Contributions relief for hiring veterans

As announced at Autumn Budget 2024, the government is extending the employer National Insurance contributions relief for employers hiring qualifying veterans for a further year from 6 April 2025 until 5 April 2026.

This means that businesses will continue to pay no employer National Insurance contributions up to annual earnings of the Veterans Upper Secondary Threshold of £50,270 for the first year of a veteran's employment in a civilian role. The government will extend the relief through secondary affirmative legislation ahead of April 2025.

2.3 Changes to secondary Class 1 (employers') National Insurance — reducing the secondary threshold, increasing the rate and changes to the Employment Allowance

As announced at Autumn Budget 2024, the government will introduce legislation to reduce the Class 1 National Insurance contributions secondary threshold, from £9,100 to £5,000 per annum. This will take effect from 6 April 2025 until 5 April 2028.

Thereafter, the secondary Class 1 National Insurance contributions threshold will be increased in line with the Consumer Price Index (CPI).

The government will introduce legislation to increase the main rate of secondary Class 1 National Insurance contributions from 13.8% to 15%. The Class 1A and Class 1B employer rates will also increase in line with this.

The government will also introduce legislation to increase the Employment Allowance from £5,000 to £10,500 and remove the restriction that currently applies to the Employment Allowance, where only employers who have incurred a secondary Class 1 National Insurance contributions liability of less than £100,000 in the tax year prior are able to claim.

This will take effect from April 2025 and will mean eligible employers will be able to reduce their National Insurance contributions liabilities by up to £10,500 per year.

These changes will be introduced by primary legislation ahead of 6 April 2025.

2.4 Inheritance tax — unused pension funds and death benefits

As announced at Autumn Budget 2024, the government will bring unused pension funds and death benefits payable from a pension into a person's estate for Inheritance Tax purposes from 6 April 2027.

As part of these changes, pension scheme administrators will become liable for reporting and paying any inheritance tax due on unused pension funds and death benefits.

2.5 Help to Save extension and reform

The government will extend the Help to Save scheme for 2 years, from April 2025.

As a result, the last date an account can be opened under the current scheme is 5 April 2027. From 6 April 2025, the eligibility of the scheme will be extended to all individuals in receipt of Universal Credit earning £1 or more.

The government has also launched a consultation on the most effective way to deliver the new scheme. This consultation also includes details of the

design of the reformed scheme, developed following the responses received from the consultation published in April 2023.

2.6 ISA, Junior ISA, Lifetime ISA and Child Trust Fund annual subscription limits

As announced at Autumn Budget 2024, the annual subscription limit for:

- ISAs will remain unchanged at £20,000 until April 2030
- Junior ISAs will remain unchanged at £9,000 until April 2030
- Lifetime ISAs will remain unchanged at £4,000 until April 2030
- Child Trust Funds will remain unchanged at £9,000 until April 2030

These measures will apply to the whole of the UK.

2.7 Digitalisation of ISAs limit

As announced at Autumn Budget 2024, digital reporting for ISA managers will be mandatory from April 2027. Draft legislation will be published for a technical consultation in 2025.

2.8 British ISA

As announced at Autumn Budget 2024, the government will not proceed with the British ISA.

2.9 Setting the official rate of interest for quarter 3 of tax year 2024 to 2025

In-year increases in the official rate of interest (ORI) may take place, where appropriate, from 6 April 2025. The ORI is used to calculate the tax liability on employment related beneficial loans and living accommodation.

The rate will continue to be reviewed on a quarterly basis. Any changes in the rate will occur following a quarterly review, where appropriate.

The previous public commitment, made by the Inland Revenue in January 2000, that the rate will not increase in-year will no longer be applicable. As of 6 April 2025 the official rate of interest may increase, decrease, or be maintained throughout the year.

This measure will enable the official rate of interest to increase in-year where appropriate, ensuring employment-related beneficial loans and living accommodation are correctly valued.

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

As announced at Autumn Budget 2024, the government will be increasing the van benefit charge and the car and van fuel benefit charges using 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

The government will introduce legislation by statutory instrument in December 2024 to ensure the changes are reflected in tax codes for tax year 2025 to 2026.

2.11 Confirming plans to mandate the reporting of benefits in kind by payroll software from April 2026

The government confirmed at Autumn Budget 2024 that the use of payroll software to report and pay tax on benefits in kind will become mandatory, in phases, from April 2026. This will apply to Income Tax and Class 1A National Insurance contributions. This was first announced by the previous government in the [January 2024 simplification update](https://www.gov.uk/government/publications/tax-simplification-update-january-2024) (<https://www.gov.uk/government/publications/tax-simplification-update-january-2024>).

A technical note has been published which provides further clarification on plans for mandatory payroll reporting. The technical note confirms that, from April 2026, it will be mandatory to payroll all benefits in kind, except for employment related loans and accommodation. Payrolling for these 2 benefits will be introduced on a voluntary basis from April 2026 and the government will set out the next steps on when they will be mandated in due course.

2.12 Agricultural Property Relief and Business Property Relief

As announced at Autumn Budget 2024, the government will reform these reliefs from 6 April 2026. The existing 100% rates of relief will continue for the first £1 million of combined agricultural and business property.

The rate of relief will be 50% thereafter, and in all circumstances for shares designated as 'not listed' on the markets of recognised stock exchanges, such as AIM.

The government will publish a technical consultation by early 2025, and a summary of the changes has been published alongside Autumn Budget 2024.

2.13 Charity tax compliance

As announced at Autumn Budget 2024, the government will introduce legislation in a future Finance Bill to prevent abuse of the charity tax rules by strengthening several existing anti-abuse rules to ensure that only the intended tax relief is given. These changes will take effect from April 2026 to give charities time to adjust to the new rules.

2.14 Ending contrived car ownership schemes

As announced at Autumn Budget 2024, the government will introduce legislation in a future Finance Bill to close loopholes in employee car ownership schemes to prevent them from being used to circumvent the company car tax benefit in kind charge.

The changes will take effect from 6 April 2026.

2.15 High Income Child Benefit Charge (HICBC) reform, simplification and targeting of economic support to households

As announced at Autumn Budget, the government will not proceed with the reform to base the High Income Child Benefit Charge (HICBC) on household incomes. To make it easier for all taxpayers to get their HICBC right, the government will allow employed individuals to report Child Benefit payments through their tax code from 2025, and pre-populate Self Assessment tax returns with Child Benefit data for those not using this service.

The government will also explore how better data use and sharing across government departments can improve the targeting of economic support to households, especially in times of crisis.

Corporate Tax

2.16 Reserved Investor Fund (RIF) and related provisions

As announced at Autumn Budget 2024, the government will proceed with the introduction of the Reserved Investor Fund (Contractual Scheme) (RIF). The government will also make minor amendments to the tax rules in respect of Co-ownership Authorised Contractual Schemes (CoACS).

Secondary legislation will be brought forward before the end of the tax year 2024 to 2025.

A tax information and impact note was published in relation to the RIF at [Spring Budget 2024 \(https://www.gov.uk/government/publications/spring-budget-2024-overview-of-tax-legislation-and-rates-outlar\)](https://www.gov.uk/government/publications/spring-budget-2024-overview-of-tax-legislation-and-rates-outlar).

A further tax information and impact note in respect of the CoACS amendments will be published alongside the secondary legislation.

2.17 Annual Tax on Enveloped Dwellings (ATED) — annual chargeable amounts for the 2025 to 2026 chargeable period

As announced at Autumn Budget 2024, the ATED annual charges will rise by 1.7% from 1 April 2025 in line with the September 2024 Consumer Price Index (CPI).

The 2025 to 2026 charges are set out in Annex A.

2.18 Freeports and Investment Zones

As confirmed at Autumn Budget 2024, the government will continue with the freeports and investment zones programmes. Further special tax sites and customs sites will be designated through secondary legislation.

2.19 Tax treatment of double cab pick-up vehicles

As announced at Autumn Budget 2024 and 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.

2.20 Tax treatment of predevelopment costs

As announced at Autumn Budget 2024, the government will launch a consultation in early 2025 to explore the tax treatment of predevelopment costs.

2.21 Consultation on Land Remediation Relief

As announced at Autumn Budget, the government will launch a consultation to review the effectiveness of Land Remediation Relief, considering whether the relief is still meeting its objectives and evaluating its value for money. The government will launch this consultation in Spring 2025.

2.22 Reform of UK rules in relation to transfer pricing, permanent establishment and Diverted Profits Tax

As announced in the Corporate Tax Roadmap, the government will hold a technical consultation on draft legislation to modernise and simplify 3 elements of UK international tax legislation. These are:

- transfer pricing
- permanent establishment
- Diverted Profits Tax

2.23 Amendments to the transfer pricing small and medium sized enterprise (SME) exemption

As announced in the corporate tax roadmap, the government will consult on bringing medium sized businesses within the scope of the UK's transfer pricing rules by reducing the existing thresholds of the small and medium sized enterprise (SME) exemption to align with international peers and protect the UK tax base. The government will maintain an exemption for small businesses.

2.24 Reporting on Cross-Border Related Party Transactions

As announced in the Corporate Tax Roadmap, the government will consult on the introduction of a new filing obligation that will require businesses in scope of transfer pricing rules to report information to HMRC on certain cross-border related party transactions.

The data gathered will be used to inform compliance activity, permitting more efficient and targeted use of HMRC resource. The consultation will consider how to ensure the reporting obligations are proportionate and appropriately targeted.

2.25 Cost Contribution Arrangements

As announced in the Corporate Tax Roadmap, the government will review the transfer pricing treatment of cost contribution arrangements, where costs and benefits of developing intellectual property are shared, with the aim of encouraging inward investment and increasing tax certainty.

Indirect Tax

2.26 Tax year 2025 to 2026 — Landfill Communities Fund value

The government will set the value of the Landfill Communities Fund for tax year 2025 to 2026 at £23.6 million, with the cap on credits claimed by landfill operators in respect of contributions remaining at 5.3% of their Landfill Tax liability.

2.27 Freeze to Carbon Price Support rates of Climate Change Levy and Fuel Duty from 1 April 2026

As announced at Autumn Budget 2024, the government will freeze the Carbon Price Support rates of Climate Change Levy and Fuel Duty to maintain the rates at a level equivalent to £18 per tonne of carbon dioxide (CO₂) in Great Britain in tax year 2026 to 2027.

2.28 Carbon border adjustment mechanism — government response

The government has published its response to the March 2024 consultation on the introduction of a UK carbon border adjustment mechanism (CBAM). The response confirms that the UK CBAM will be introduced on 1 January 2027, placing a carbon price on goods that are at risk of carbon leakage imported to the UK from the aluminium, cement, fertiliser, hydrogen and iron and steel sectors. Products from the glass and ceramics sectors will not be in scope of the UK CBAM from 2027 as previously proposed.

The registration threshold will be set at £50,000, retaining over 99% of imported emissions within the scope of the CBAM, while removing over 80% of otherwise registrable businesses. Over 70% of those removed from the CBAM altogether by this threshold are micro, small, or medium sized businesses.

2.29 Gaming Duty — gross gaming yield bands

As announced at Autumn Budget 2024, the gross gaming yield bandings used to determine the rate of gaming duty will be frozen from 1 April 2025.

2.30 Gambling Duty reform

As announced at Autumn Budget 2024, the government will publish in 2025 a consultation on proposals to bring remote gambling (meaning gambling offered over the internet, telephone, TV and radio) into a single tax, rather than taxing it through a 3 tax structure as at present.

2.31 Fuel Duty rates

As announced at Autumn Budget 2024, the government will introduce legislation by Statutory Instrument in 2025 to extend the 5 pence cut in the rates of Fuel Duty first introduced at Spring Statement 2022.

The 5 pence cut will now expire on 22 March 2026. This will maintain the cut for a further 12 months in the rates for heavy oil (diesel and kerosene), unleaded petrol, and light oil by 5 pence per litre, and the proportionate percentage cut (equivalent to 5 pence per litre from the main Fuel Duty rate of 57.95 pence per litre) in other lower rates and the rates for rebated fuels, where practical.

2.32 Plastic Packaging Tax (PPT) — mass balance approach — publication of the summary of responses

The government has published a summary of responses to the Plastic Packaging Tax (PPT), mass balance approach (MBA) consultation carried out in 2023. This confirms the government will allow businesses to use an MBA to attribute chemically recycled plastic to packaging for the purposes of the PPT.

The government will:

- undertake further technical engagement before confirming when the change will take effect
- publish draft legislation for technical consultation

The government response also confirms that pre-consumer waste will no longer be allowed to be treated as recycled plastic for the purpose of PPT. This change will take effect from the same date the MBA is introduced.

The rates are set out in Annex A.

2.33 A consultation on the implementation of electronic invoicing (e-invoicing) in the UK

The government will publish a consultation in early 2025 to explore electronic invoicing and how it can establish standards, increase the adoption, and support businesses.

Tax administration and other measures

2.34 Changing late payment interest rates on unpaid tax liabilities

As announced at Autumn Budget 2024, the government will increase the late payment interest rate charged by HMRC on unpaid tax liabilities by 1.5 percentage points.

This measure will take effect from 6 April 2025.

2.35 Closing in on promoters of marketed tax avoidance

As announced at Autumn Budget 2024, the government will publish a consultation in early 2025 on a package of measures to tackle promoters of marketed tax avoidance, including:

- new powers focussed on those who own or control promoter organisations
- new options to tackle legal professionals behind avoidance schemes

2.36 Strengthening the regulatory framework in the tax advice market

As announced at Autumn Budget 2024, the government has published a summary of responses to the [Raising standards in the tax advice market: strengthening the regulatory framework and improving registration](https://www.gov.uk/government/consultations/raising-standards-in-the-tax-advice-market-strengthening-the-regulatory-framework-and-improving-registration) (<https://www.gov.uk/government/consultations/raising-standards-in-the-tax-advice-market-strengthening-the-regulatory-framework-and-improving-registration>) consultation and is considering options to strengthen the regulatory framework of the tax advice market.

2.37 Tackling tax non-compliance in the umbrella company market

As announced at Autumn Budget 2024, the government will introduce legislation in a future Finance Bill to make agencies responsible for accounting for PAYE on payments made to workers that are supplied using umbrella companies. Where there is no agency, this responsibility will fall to the end client business. This will take effect from April 2026.

Draft legislation will be published in due course.

2.38 Modernising and mandating tax adviser registration

As announced at Autumn Budget 2024, the government will invest £36 million in modernising HMRC tax advice registration services and mandate registration of tax advisers who interact with HMRC on behalf of clients from April 2026.

Following a technical consultation on draft legislation, the government will legislate for this in a future Finance Bill.

2.39 Enhancing HMRC's powers to deal with tax advisers who facilitate non-compliance

As announced at Autumn Budget 2024, the government will publish a consultation in early 2025 on options to enhance HMRC's powers and sanctions to take swifter and stronger action against tax advisers who facilitate non-compliance.

2.40 Making Tax Digital (MTD) for Income Tax — lowering the mandation threshold

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. The precise timing of this will be set out at a future fiscal event. This expands the rollout of MTD for Income Tax, which will begin from:

- April 2026 for sole traders and landlords with income over £50,000
- April 2027 for those with income over £30,000

2.41 Making better use of new and improved third-party data, to help taxpayers get their tax right first time

As announced at Autumn Budget 2024, the government will publish a consultation in Spring 2025 on modernising how HMRC acquire and use third-party data to make it easier for taxpayers to get tax right the first time.

2.42 Tackling the hidden economy by expanding tax conditionality to new sectors

As announced at Autumn Budget 2024, the government will publish a consultation to consider expanding tax conditionality to new sectors.

This will build on existing tax conditionality reforms introduced into the taxi and scrap metal sectors from April 2022.

2.43 New ways to tackle tax non-compliance

As announced at Autumn Budget 2024, the government has published a consultation on reforming HMRC's correction powers, exploring changes to HMRC's existing powers and processes, and a potential new power to require taxpayers to correct mistakes themselves.

2.44 Powers, penalties and safeguards

As announced at Autumn Budget 2024, the government has published a summary of responses to the call for evidence in [The Tax Administration Framework Review: enquiry and assessment powers, penalties, safeguards](https://www.gov.uk/government/calls-for-evidence/the-tax-administration-framework-review-enquiry-and-assessment-powers-penalties-safeguards) (<https://www.gov.uk/government/calls-for-evidence/the-tax-administration-framework-review-enquiry-and-assessment-powers-penalties-safeguards>), which was published earlier this year.

2.45 Simplifying the taxation of offshore interest

As announced at Autumn Budget 2024, the government has published a consultation document to tackle challenges arising from the mismatch of information on offshore interest being provided on a calendar year basis, rather than a UK tax year basis.

The consultation is seeking views on options to address this mismatch, including changes to the rules so that individuals are taxed on the non-UK interest arising in the year ended 31 December that ends in the tax year.

The removal of the remittance basis means more people will be impacted by these issues.

Table 1 — Measures in this document without a corresponding announcement in the Budget report

Measure Title	Paragraph Number
Income Tax charge and rate	1.1
Corporation Tax charge and rate	1.8
Abolition of Furnished Holiday Lets (FHL) tax regime	1.15
Air Passenger Duty (APD) rates for 2025 to 2026	1.30
Aggregates Levy rate for tax year 2025 to 2026	1.39
Vehicle Excise Duty (VED) consequential amendments	1.44
Enhanced relief for Research & Development (R&D) intensive small and medium sized enterprise (SME)	1.46
Amending the cap on relief in the enhanced support for research and development (R&D) intensive SMEs (ERIS) in Northern Ireland	1.47
Audio-Visual and Video Games Expenditure Credits — administrative measures	1.48
Correcting error in the Taxation (Post-Transition Period) Act 2020	1.49
Setting the official rate of interest for quarter 3 of tax year 2024 to 2025	2.9
Tax year 2025 to 2026 — Landfill Communities Fund value	2.26