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Policy paper

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

Published 6 March 2024

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This publication is available at <https://www.gov.uk/government/publications/spring-budget-2024-overview-of-tax-legislation-and-rates-ootlar/spring-budget-2024-overview-of-tax-legislation-and-rates-ootlar>

Introduction

This document sets out the detail of each tax policy measure announced at Spring Budget 2024 and of previously announced measures that will be included in Spring Finance Bill 2024. 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.

Spring Budget 2024 will be published on 6 March 2024. The information in the document is set out as follows:

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

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

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

[Annex A \(/government/publications/spring-budget-2024-overview-of-tax-legislation-and-rates-ootlar/annex-a-rates-and-allowances\)](/government/publications/spring-budget-2024-overview-of-tax-legislation-and-rates-ootlar/annex-a-rates-and-allowances) provides tables of tax rates and allowances for the tax year 2023 to 2024 and the tax year 2024 to 2025.

[Annex B \(/government/publications/spring-budget-2024-overview-of-tax-legislation-and-rates-ootlar/annex-b-impact-assessments-in-tax-information-and-impact-notes\)](/government/publications/spring-budget-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.

The government will bring forward a further set of tax administration and maintenance announcements on 18 April 2024. None of these announcements will require legislation in Spring Finance Bill 2024 or have an impact on the government's finances at this stage.

For an update on previously announced consultations, see the [tax policy consultation tracker \(https://www.gov.uk/guidance/check-the-status-of-tax-policy-consultations\)](https://www.gov.uk/guidance/check-the-status-of-tax-policy-consultations).

Chapter 1 — Spring Finance Bill 2024

Personal Tax

1.1 Income Tax charge & rate

The government will introduce legislation in Spring Finance Bill 2024 to set the charge for income tax, and the corresponding rates, as it does every year.

Spring Finance Bill 2024 will set:

- the main rates for 2024 to 2025, which will apply to non-savings, non-dividend income of taxpayers in England, Wales, and Northern Ireland
- the savings rates for 2024 to 2025, which will apply to savings income of all UK taxpayers
- the default rates for 2024 to 2025, 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 thresholds on non-savings, 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, non-dividend income are set by the Welsh Parliament and added to the UK rates.

1.2 Starting Rate for Savings Limit

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

1.3 Collective money purchase (CMP) winding up

The Pension Schemes Act 2021 introduced legislation to allow collective money purchase (CMP) pension schemes to operate in the United Kingdom. The government will introduce legislation in Spring Finance Bill 2024 to ensure that the Commissioners of HMRC can accommodate the detailed provisions necessary for the treatment of funds transferred from a CMP scheme in the process of winding up.

Further consequential tax changes will then be made through secondary legislation to authorise payments made during the wind-up process.

The measure will have effect from Royal Assent to Spring Finance Bill 2024.

1.4 Changes to the Capital Gains Tax rate on UK residential property disposals

As announced at Spring Budget 2024, the government will introduce legislation in Spring Finance Bill 2024 to reduce the higher rate of Capital Gains Tax for residential property gains from 28% to 24%. The change will take effect from 6

April 2024. The lower rate will remain at 18% for any gains that fall within an individual's basic rate band.

The tax information and impact note for this measure provides more information: [Capital Gains Tax: changes to the higher rate of tax on residential property \(https://www.gov.uk/government/publications/capital-gains-tax-changes-to-the-higher-rate-of-tax-on-residential-property-disposals\)](https://www.gov.uk/government/publications/capital-gains-tax-changes-to-the-higher-rate-of-tax-on-residential-property-disposals).

1.5 High Income Child Benefit Charge threshold

As announced at Spring Budget 2024, the government will introduce legislation in the Spring Finance Bill 2024 to increase the High Income Child Benefit Charge (HICBC) adjusted net income starting threshold to £60,000, from the 2024 to 2025 tax year onwards.

The charge will apply at a rate of one per cent of the full Child Benefit award for each £200 of adjusted net income between £60,000 and £80,000, halving the rate at which HICBC is charged. The charge on taxpayers with income above £80,000 will be equal to the full amount of Child Benefit paid.

For new Child Benefit claims made after 6 April 2024, any backdated payment will be treated for HICBC purposes as if the entitlement fell in the 2024 to 2025 tax year if backdating would otherwise create a HICBC liability in the 2023 to 2024 tax year.

This measure will apply to the whole of the United Kingdom.

The tax information and impact note for this measure provides more information: [Income Tax: Increasing the High Income Child Benefit Charge threshold \(/government/publications/income-tax-increasing-the-high-income-child-benefit-charge-threshold\)](/government/publications/income-tax-increasing-the-high-income-child-benefit-charge-threshold).

1.6 Geographical scope of agricultural property relief and woodlands relief from Inheritance Tax

As announced at Spring Budget 2024, the government will introduce legislation at Spring Finance Bill 2024 to restrict the scope of agricultural property relief and woodlands relief to property in the UK. Property located in the European Economic Area (EEA), the Channel Islands and the Isle of Man will be treated the same as other property located outside the UK. The changes will take effect from 6 April 2024.

The tax information and impact note for this measure provides more information: [Changes to the geographical scope of agricultural property relief and woodlands relief for Inheritance Tax \(https://www.gov.uk/government/publications/changes-to-the-geographical-scope-of-agricultural-property-relief-and-woodlands-relief-for-inheritance-tax\)](https://www.gov.uk/government/publications/changes-to-the-geographical-scope-of-agricultural-property-relief-and-woodlands-relief-for-inheritance-tax).

Corporate Tax

1.7 Corporation Tax rates

The government will introduce legislation in Spring Finance Bill 2024 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 2025.

1.8 Additional support for independent film

As announced at Spring Budget 2024, the government will introduce legislation in Spring Finance Bill 2024 to provide additional support for independent films via the Audio-Visual Expenditure Credit.

The Independent Film Tax Credit is aimed at films that have budgets (or total core expenditure) of up to £15 million and that receive a new accreditation from the British Film Institute. The credit rate will be 53% of qualifying expenditure. Qualifying expenditure is capped at a maximum of 80% of a film's total core expenditure; the most taxable credit a film can receive will be £6.36 million.

The changes will take effect for films that commence principal photography from 1 April 2024 on expenditure incurred from 1 April 2024. Claims may be submitted from 1 April 2025.

The tax information and impact note for this measure provides more information: [Corporation Tax: tax relief for independent film productions](https://www.gov.uk/government/publications/corporation-tax-tax-relief-for-independent-film-productions) ([/government/publications/corporation-tax-tax-relief-for-independent-film-productions](https://www.gov.uk/government/publications/corporation-tax-tax-relief-for-independent-film-productions)).

1.9 Permanent extension for higher rates of Theatre Tax Relief, Orchestra Tax Relief, and Museums and Galleries Tax Relief

As announced at Spring Budget 2024, the government will introduce legislation in Spring Finance Bill 2024 for permanent 40%/45% (for non-touring/touring and orchestral productions respectively) headline rates of relief for Theatre Tax Relief, Orchestra Relief, and Museums and Galleries Exhibition Tax Relief. These rates will take effect from 1 April 2025.

The tax information and impact note for this measure provides more information: [Corporation Tax: extension to the temporary rates of relief for theatre, orchestra, museum and galleries exhibition tax relief](https://www.gov.uk/government/publications/corporation-tax-new-permanent-rates-of-relief-for-theatre-orchestra-museum-and-galleries-tax-relief) (<https://www.gov.uk/government/publications/corporation-tax-new-permanent-rates-of-relief-for-theatre-orchestra-museum-and-galleries-tax-relief>).

1.10 Stamp Duty Land Tax — Multiple Dwellings Relief (MDR)

As announced at Spring Budget 2024, the government will introduce legislation in Spring Finance Bill 2024 abolishing Multiple Dwellings Relief, a bulk purchase relief in the Stamp Duty Land Tax regime. This change will come into

effect for transactions with an effective date on or after 1 June 2024. Transitional rules mean that MDR can still be claimed for contracts which are exchanged on or before 6 March 2024, regardless of when completion takes place. This is subject to various exclusions, for example that there is no variation of the contract after that date.

A response to the 20 November 2021 consultation [Stamp Duty Land Tax: mixed-property purchases and Multiple Dwellings Relief](https://www.gov.uk/government/consultations/stamp-duty-land-tax-mixed-property-purchases-and-multiple-dwellings-relief) (<https://www.gov.uk/government/consultations/stamp-duty-land-tax-mixed-property-purchases-and-multiple-dwellings-relief>) is published, as well as the outcome of the external evaluation of MDR, carried out under [HMRC's Tax Relief Evaluation programme](https://www.gov.uk/government/publications/hmrc-evaluation-list) (<https://www.gov.uk/government/publications/hmrc-evaluation-list>).

The tax information and impact note for this measure provides more information: [Stamp Duty Land Tax: abolition of Multiple Dwellings Relief](https://www.gov.uk/government/publications/stamp-duty-land-tax-abolition-of-multiple-dwellings-relief-from-1-june-2024) (<https://www.gov.uk/government/publications/stamp-duty-land-tax-abolition-of-multiple-dwellings-relief-from-1-june-2024>).

1.11 Stamp Duty Land Tax — Acquisitions by Registered Social Landlords and Public Bodies

As announced at Spring Budget 2024, the government will introduce legislation in Spring Finance Bill 2024 to amend out of date references and definitions in Stamp Duty Land Tax (SDLT) legislation relating to registered social landlords. The government will also introduce legislation to remove public bodies from the SDLT 15% higher rate charge when purchasing residential property with a value of more than £500,000. These changes will take effect from 6 March 2024.

The tax information and impact note for this measure provides more information: [Stamp Duty Land Tax: change to rules for acquisitions by registered social landlords and public bodies](https://www.gov.uk/government/publications/stamp-duty-land-tax-change-to-rules-for-acquisitions-by-registered-social-landlords-and-public-bodies) ([/government/publications/stamp-duty-land-tax-change-to-rules-for-acquisitions-by-registered-social-landlords-and-public-bodies](https://www.gov.uk/government/publications/stamp-duty-land-tax-change-to-rules-for-acquisitions-by-registered-social-landlords-and-public-bodies)).

1.12 Stamp Duty Land Tax – First-time Buyers' Relief: Leases and Nominees

As announced at Spring Budget 2024, the government will introduce legislation in Spring Finance Bill 2024 amending the rules for claiming First-time Buyers' Relief from Stamp Duty Land Tax.

The changes will mean that individuals who purchase new leases using nominee or bare trust arrangements will be able to claim the relief and ensure that individuals who have used such arrangements in the past are unable to claim the relief on future purchases made in their own name.

The changes will take effect from 6 March 2024. Where contracts are exchanged on or before 6 March 2024, transitional rules may apply subject to conditions.

The tax information and impact note for this measure provides more information: [Stamp Duty Land Tax: First-Time Buyers' Relief \(/government/publications/stamp-duty-land-tax-first-time-buyers-relief\)](https://government/publications/stamp-duty-land-tax-first-time-buyers-relief).

1.13 Energy Profits Levy – Energy Security Investment Mechanism

As announced at Spring Budget 2024, the government will introduce legislation in Spring Finance Bill 2024 to provide for the Energy Security Investment Mechanism (ESIM).

The detail and application of the ESIM were announced in a Technical Note at Autumn Statement 2023.

The tax information and impact note for this measure provides more information: [Energy Profits Levy: Energy Security Investment Mechanism \(https://www.gov.uk/government/publications/energy-profits-levy-energy-security-investment-mechanism-legislation\)](https://www.gov.uk/government/publications/energy-profits-levy-energy-security-investment-mechanism-legislation).

1.14 Economic Crime Levy

The Economic Crime (Anti-Money Laundering) Levy was announced at Spring Budget 2020 to raise approximately £100 million per annum to tackle money laundering and deliver economic crime reforms.

Levy receipts for the first period between April 2022 and March 2023 show a shortfall against the levy's target of raising £100 million per year. The government's policy objective is to mitigate this shortfall, putting funding for measures to tackle economic crime back on a sustainable footing.

The government will increase the charge paid by very large businesses with UK revenue greater than £1 billion, and which are regulated for anti-money laundering purposes, under the Economic Crime (Anti-Money Laundering) Levy (the levy). The charge for these entities will rise from £250,000 to £500,000 per annum, from tax year 2024 to 2025 onwards. Amounts are payable following the end of each financial year.

There will be no change to the charge for small entities (which remain exempt), medium entities (which will continue to pay £10,000), or large entities (which will continue to pay £36,000).

The tax information and impact note for this measure provides more information: [Economic Crime Levy: increased charges for very large entities \(/government/publications/economic-crime-levy-increased-charges-for-very-large-entities\)](https://government/publications/economic-crime-levy-increased-charges-for-very-large-entities).

1.15 Changes to anti-avoidance legislation: Transfer of Assets Abroad Provisions

As announced at Spring Budget 2024, the government will introduce legislation in Spring Finance Bill 2024 so that individuals cannot bypass anti-avoidance legislation, the Transfer of Assets Abroad provisions, by using a company to transfer assets offshore in order to avoid tax. This applies to individuals who are resident in the UK.

The changes will take effect for income arising to a person abroad from 6 April 2024.

The tax information and impact note for this measure provides more information: [Amendments to the transfer of assets abroad provisions \(/government/publications/amendments-to-the-transfer-of-assets-abroad-provisions\)](/government/publications/amendments-to-the-transfer-of-assets-abroad-provisions).

1.16 Reserved Investor Funds (RIFs)

As announced at Spring Budget 2024, the government will introduce legislation in Spring Finance Bill 2024 in relation to the Reserved Investor Fund (Contractual Scheme) (RIF), including to provide for a power to make detailed tax rules through secondary legislation at a later date.

The government is also publishing the summary of responses to the 2023 consultation on the scope and design of a tax regime for the RIF.

The tax information and impact note for this measure provides more information: [Reserved Investor Fund \(/government/publications/reserved-investor-fund\)](/government/publications/reserved-investor-fund).

Indirect Tax

1.17 VAT — Bringing trades in Carbon Credits within the scope of the Terminal Markets Order (TMO)

As announced at Spring Budget 2024, the government will introduce legislation in Spring Finance Bill 2024 that underpins the VAT Terminal Markets Order (TMO) which will take effect from the date of Royal Assent to Spring Finance Bill 2024. This will allow for further reform, including bringing trades in carbon credits within the scope of the TMO in due course, and forms part of the government's broader commitment to update the TMO legislation, which was announced at Tax Administration and Maintenance Day 2023.

A summary of responses to the consultation on reforming the TMO legislation, which was launched in 2023, will be published in due course.

1.18 VAT: DIY Housebuilders Scheme: Power to request evidence

Following digitisation of the DIY Housebuilders Scheme, the government will introduce legislation in Spring Finance Bill 2024 to give HMRC Commissioners additional powers to request further evidential documentation in relation to a DIY housebuilder's claim. This will assist the Commissioners in validating claims and carrying out compliance checks.

The power will come into force on the date of Royal Assent to Spring Finance Bill 2024 and will apply to claims made on or after the day the provisions come into force.

The tax information and impact note for this measure provides more information: [VAT: DIY Housebuilders Scheme request for evidence \(/government/publications/vat-diy-housebuilders-scheme-request-for-evidence\)](https://www.gov.uk/government/publications/vat-diy-housebuilders-scheme-request-for-evidence).

Tax Administration and Other Measures

1.19 Penalty Reform — VAT Credit Amendment

The government will introduce legislation in Spring Finance Bill 2024 to make technical amendments so interest for VAT operates as intended. The legislation corrects the unintentionally narrow scope of the common period rules, and ensures that HMRC's power to automatically collect overpaid VAT repayment interest applies consistently to all such amounts.

The tax information and impact note on [Interest harmonisation and penalties for late submission and late payment of tax \(https://www.gov.uk/government/publications/interest-harmonisation-and-penalties-for-late-submission-and-late-payment-of-tax\)](https://www.gov.uk/government/publications/interest-harmonisation-and-penalties-for-late-submission-and-late-payment-of-tax) provides more information on the VAT interest legislation announced in Spring Budget 2021.

The changes will take effect from 1 January 2023 following Royal Assent to Spring Finance Bill 2024.

Chapter 2 — Measures announced at Spring Budget 2024 but not in Spring Finance Bill 2024

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

Personal Tax

2.1 A reduction in the main rates of Primary Class 1 and Class 4 National Insurance contributions

As announced at Spring Budget 2024, the government will introduce legislation to reduce the main rate of primary Class 1 National Insurance contributions by 2 percentage points from 10% to 8% from 6 April 2024.

For the self-employed, the government will introduce legislation to reduce the main rate of Class 4 National Insurance contributions by 2 percentage points from 8% to 6% from 6 April 2024.

This is in addition to the previously announced reduction in the main rate of Class 4 National Insurance contributions from 9% to 8%, and means that from 6 April 2024 the main rate will reduce from 9% to 6%.

Technical specifications for payroll software companies will be published shortly.

2.2 Class 2 National Insurance contributions — Commitment to Consult

As announced at Spring Budget 2024, the government will consult on how it will deliver Class 2 National Insurance contributions abolition later this year.

At Autumn Statement 2023, the government announced the removal of the requirement to pay Class 2 National Insurance contributions from 6 April 2024 and committed to abolishing Class 2 entirely.

2.3 Replacing Non-UK Domicile tax rules with a residence-based regime

As announced at Spring Budget 2024, the government will abolish the remittance basis of taxation for non-UK domiciled individuals and replace it with a simpler 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 for the first four years of tax residence.

Overseas Workday Relief (OWR) will be reformed with eligibility for the relief based on the new regime. OWR will continue to provide Income Tax relief for earnings from duties carried out overseas for the first three years of tax residence with restrictions on remitting these earnings removed.

The government has also announced an intention to move to a residence-based regime for Inheritance Tax, with plans to publish a policy consultation on these changes, followed by draft legislation for a technical legislation, later in the year.

2.4 UK Individual Savings Account (ISA)

As announced at Spring Budget 2024, the government will introduce a new UK ISA with its own allowance of £5,000 a year. The government will consult on the details at a later date.

2.5 ISAs and Fractional Share Contracts

As announced at Spring Budget 2024, the government is committed to ensuring people have the opportunity to invest in a diverse range of investment types through their ISAs.

As previously announced at Autumn Statement 2023 this includes certain fractional share contracts, and the government is working as quickly as possible to bring forward legislation by the end of the Summer following detailed engagement with industry and the Financial Conduct Authority (FCA).

2.6 Amending Gift Aid legislation due to implications of the Digital Markets, Competition and Consumers Bill

The Digital Markets, Competition, and Consumers Bill will introduce new protections for consumers who take out subscription contracts.

As announced at Spring Budget 2024, the government will amend existing Gift Aid legislation by Statutory Instrument to ensure that eligible charities which operate subscription models can continue to claim Gift Aid while complying with these new protections.

The intention is that these amendments to the Gift Aid regime will be in place by the time the relevant provisions of the Bill come into force.

2.7 Abolition of the Furnished Holiday Lettings (FHL) tax regime

As announced at Spring Budget 2024, the government will abolish the Furnished Holiday Lettings tax regime, eliminating the tax advantage for landlords who let out short-term furnished holiday properties over those who let out residential properties to longer-term tenants. This will take effect from April 2025.

Draft legislation will be published in due course and include an anti-forestalling rule. This will prevent the obtaining of a tax advantage through the use of unconditional contracts to obtain capital gains relief under the current FHL rules. This rule will apply from 6 March 2024.

2.8 Taxation of environmental land management and ecosystem service markets

As announced at Spring Budget 2024, the government will introduce legislation in a future finance bill to extend the scope of agricultural property relief from Inheritance Tax to environmental land management from 6 April 2025 following the consultation in 2023.

Relief will be available for land managed under an environmental agreement with, or on behalf of, the UK government, Devolved Administrations, public bodies, local authorities, or approved responsible bodies. This includes agreements in place on or after 6 March 2024.

The government will also establish a joint working group between HM Treasury, HMRC, and industry representatives to identify solutions that provide clarity on the tax treatment of the production and sale of ecosystem service credits and associated units, where existing law or guidance may not provide sufficient clarity.

Corporate Tax

2.9 Technical consultation on extending full expensing to leased assets

As announced at Autumn Statement 2023, full expensing and the 50% first-year allowance for special rate assets were made permanent. Expenditure on plant or machinery for leasing is excluded from these allowances.

The government will shortly publish draft legislation for technical consultation to help it consider any potential extension to include plant and machinery for leasing, which is subject to future decision.

2.10 Additional tax relief for expenditure on visual effects

As announced at Autumn Statement 2023, and following a call for evidence, the government will give additional tax relief to visual effects costs in films and high-end TV. Under the Audio-Visual Expenditure Credit, visual effects costs will receive tax credit at a rate of 39%. The 80% cap on qualifying expenditure will also be removed for visual effects costs. The changes will take effect from 1 April 2025.

A consultation will be published shortly on the types of expenditure that will be within scope of the additional tax relief.

2.11 Energy Profits Levy — One Year Extension

As announced at Spring Budget 2024, the government will extend the end date of the Energy Profits Levy to 31 March 2029.

2.12 Freeport tax reliefs sunset date extension

As announced at Autumn Statement 2023, the government will extend the window to claim the tax reliefs available in Freeport special tax sites from 5 to 10 years. At Spring Budget 2024, the government announced that the sunset date will be extended to:

- 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

The government will extend the sunset dates through secondary legislation.

2.13 Amendments to Common Reporting Standard (CRS2)

As announced at Spring Budget 2024, the government is publishing a consultation to seek views on the implementation of the Organisation for Economic Co-operation and Development's (OECD) amendments to the Common Reporting Standard (CRS2), the international tax transparency regime for the automatic exchange of information on financial accounts.

The consultation also seeks views on two proposed changes to regulations and a potential extension of the CRS to include reporting on UK resident taxpayers by UK financial institutions.

The consultation will close on 29 May 2024.

2.14 Crypto-Asset Reporting Framework (CARF)

As announced at Spring Budget 2024, the government is publishing a consultation to seek views on the implementation of the OECD's Crypto-Asset Reporting Framework (CARF), the new international tax transparency regime for the automatic exchange of information on crypto-assets.

The consultation also seeks views on a potential extension of the CARF to include reporting on UK resident taxpayers by UK service providers. The consultation will close on 29 May 2024.

2.15 Administrative change to ease the payment of Inheritance Tax before probate or confirmation

As announced at Spring Budget 2024, the government will relax the Inheritance Tax requirements for 'grants on credit'.

From 1 April 2024, personal representatives of estates will no longer need to have sought commercial loans to pay Inheritance Tax before applying to obtain a 'grant on credit' from HMRC.

2.16 Guidance on deductibility of training

As announced at Autumn Statement 2023, HMRC has published guidance to provide greater clarity of the tax deductibility of training costs for sole traders and the self-employed.

The guidance clarifies that updating existing skills, maintaining pace with technological advancements, or changes in industry practices, are deductible

costs when calculating the taxable profits of a business.

Indirect Tax

2.17 Vaping Products Duty

As announced at Spring Budget 2024, the government will introduce legislation in a future finance bill to introduce a new duty on vaping products.

The government has published a consultation on the detailed design and implementation of the duty, which will close on 29 May 2024.

Registration for the duty will open on 1 April 2026 with the duty taking effect from 1 October 2026 alongside a proportionate increase in tobacco duties.

The duty will apply to liquids for use in vaping devices and e-cigarettes at the following rates:

- £1 per 10ml for nicotine free liquids
- £2 per 10ml for liquid containing nicotine at concentrations between 0.1 to 10.9mg per ml
- £3 per 10ml for liquids containing nicotine at concentrations 11mg per ml, or above

The government will also make a one-off tobacco duty increase of £2 per 100 cigarettes or 50 grams of tobacco from 1 October 2026.

2.18 Alcohol Duty Uprating

As announced at Spring Budget 2024, the government will freeze alcohol duty from 1 August 2024 until 1 February 2025. This extends the six-month freeze announced at Autumn Statement 2023. There will be no revisions to existing legislation and no new legal provisions will be introduced.

The alcohol duty rates and allowances as introduced on 1 August 2023 are set out at Annex A.

2.19 Closure of the Alcohol Duty Stamps Scheme

As announced at Spring Budget 2024, the government will end the Alcohol Duty Stamp Scheme that applies to many retail containers for spirits, wine and other fermented products following a review by HMRC.

The government will publish draft legislation later in 2024 for an orderly wind-down of the Scheme.

2.20 VAT Registration Threshold: increase to £90,000

As announced at Spring Budget 2024, secondary legislation will amend the VAT Act 1994 to increase the VAT registration and deregistration thresholds.

The taxable turnover threshold which determines whether a person must be registered for VAT, will be increased from £85,000 to £90,000

The taxable turnover threshold which determines whether a person may apply for deregistration will be increased from £83,000 to £88,000

These changes will be effective from 1 April 2024.

2.21 Landfill Tax Rates for 2025 to 2026

As announced at the Spring Budget 2024, the government will legislate in a future finance bill to increase the standard and lower rates of Landfill Tax in line with Retail Price Index (RPI), adjusted to take account for high inflation in the period 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.

2.22 Landfill Communities Fund 2024 to 2025

The government will set the value of the Landfill Communities Fund for 2024 to 2025 at £30.9 million, with the cap on credits claimed by landfill operators in respect of contributions remaining at 5.3% of their Landfill Tax liability.

2.23 Air Passenger Duty rates (APD) 2025-2026

As announced at Spring Budget 2024, the government will legislate in a future finance bill to increase APD rates for 2025 to 2026. The reduced rates for economy passengers will increase in line with forecast RPI, rounded to the nearest pound.

This means that economy, domestic and shortfall rates will remain frozen. The standard and higher rates will also increase by forecast RPI and will also be further adjusted to account for recent high inflation.

The new rates will apply from 1 April 2025. APD rates are set out in Annex A.

2.24 Fuel Duty main rates

As announced at Spring Budget 2024, the government will introduce legislation by Statutory Instrument to extend the cut in the rates of Fuel Duty introduced at

Spring Statement in March 2022, and extended at Spring Budget in March 2023, for a further 12 months.

This will maintain the cut 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.

The changes will take effect from 23 March 2024.

The tax information and impact note for this measure provides more information: [Fuel Duty: extending the temporary cut in rates to March 2025 \(/government/publications/fuel-duty-extending-the-temporary-cut-in-rates-to-march-2025\)](https://government/publications/fuel-duty-extending-the-temporary-cut-in-rates-to-march-2025).

2.25 Road Fuel Gases Rate Change

As announced at Spring Budget 2024, following review, the government will maintain the difference between road fuel gas and diesel duty rates until 2032.

2.26 VAT Treatment of Private Hire Vehicles

As announced at Autumn Statement 2023, the government will publish a consultation on the potential implications of the High Court's ruling in 'Uber Britannia vs Sefton MBC' in April 2024.

Tax administration and other measures

2.27 Raising standards in the tax advice market: Strengthening the Regulatory Framework and Improving Registration

As announced at Spring Budget 2024, the government is today publishing a consultation both on options to strengthen the regulatory framework in the tax advice market, and on requiring tax advisers to register with HMRC if they wish to interact with HMRC on a client's behalf. The government will also explore making it quicker and easier for tax advisers to register with HMRC.

2.28 Tackling non-compliance in the umbrella company market

As announced at Spring Budget 2024, the government will provide an update on the progress of its work to tackle non-compliance in the umbrella company market shortly.

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

Measure Title	Paragraph Number
Income Tax charge & rate	1.1
Collective money purchase (CMP) winding up	1.3
Geographical scope of agricultural property relief and woodlands relief from Inheritance Tax	1.6
Corporation Tax rates	1.7
VAT: DIY Housebuilders Scheme: Power to request evidence	1.18
Penalty Reform – VAT Credit Amendment	1.19
Landfill Communities Fund 2024 to 2025	2.22

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