UK BUDGET CHANGES

TIMELINE

Autumn Budget October 2024 | **Autumn Budget November 2025** | **Autumn Budget October 2026** | **Next General Election no later than August 2029**

2024 | 2025 | 2026 | 2027 | 2028 | 2029

October 2024 | April 2025 | April 2026 | April 2027 | April 2028 | April 2029 | April 2031

Tax bands frozen Income tax and IHT thresholds frozen until April 2031. Further extended in Budget 2025

Autumn Budget immediate changes

Changes to the inheritance tax (IHT) system – excluded property trusts established after Budget day (where settlor can benefit) would be a gift with reservation.

Increase to Capital Gains Tax (CGT) – basic and higher rate increase to 18% and 24% respectively.

Autumn Budget changes for new tax year

Changes to the IHT regime to move from a domicile-based system to a residence-based system.

Test for long-term residence for IHT based on tax residency alone.

Trusts which were previously excluded property taxed to UK IHT if settlor is long-term resident.

Removal of the remittance basis regime for non-domiciles and introduction of Foreign Income and Gains (FIG) regime.

Temporary Repatriation Facility starts for those previously claiming remittance basis – allowing reduced rates of tax on foreign income and gains that are remitted to the UK.

Changes to inheritance tax reliefs

£2.5m combined cap on the amount of Agricultural Property (AR) or Business Property (BR) that receives full 100% relief. The 100% relief for AR and BR will continue for the first £2.5m of combined AR and BR and will be 50% thereafter. BR reduced on AIM shares to 50% in all circumstances. Any unused relief is transferrable between spouses and civil partners on first death.

Introduced in Autumn Budget 2024 and amended in Autumn Budget 2025

Amendment to the £2.5m cap on Agricultural and Business Property to permit any unused £2.5m allowance to pass to surviving spouse or civil partner.

Dividend tax changes

Changes to dividend tax rates for basic and higher rate taxpayers – increased by 2% to 10.75% and 35.75% respectively from 6 April 2026.

Limit applied to Relevant Property charges to Excluded Property Trusts settled prior to 30 October 2024

A rolling 10-year limit to the relevant property charges for pre-30 October 2024 excluded property trusts of £5m put in place.

Changes to Venture Capital Trust (VCT) taxation

Amount of income tax relief that can be claimed reduces to 20%. Increase to the annual, lifetime and gross assets limits for companies receiving investment under Enterprise Investment Schemes or VCT schemes.

Introduced in Autumn Budget 2025

Temporary Repatriation Facility - rate increases

The TRF rate moves up to 15% from 12% for final year.

Introduced in Autumn Budget 2024

Pension death benefits charged

Unused pension death benefits will become part of a person's estate for IHT purposes on death.

Introduced in Autumn Budget 2024

The personal allowance will be deducted against non-savings income prior to property, savings or dividend income.

Introduced in Autumn Budget 2025

Property and Savings rates of tax changed

4% increase on property and savings rates of income tax – basic rate increased to 24%, higher rate increased to 44% and additional rate increased to 49%. Changes to order of taxation with property income sitting after non-savings income but before savings income. The new rates will also apply to trusts.

The annual Cash ISA allowance will now remain at £20,000. The Government also confirmed the overall ISA limit will remain as £20,000 until 2030/31.

Autumn Budget 2026

Temporary Repatriation Facility ends

End of the Temporary Repatriation Facility for those previously claiming remittance basis.

Introduced in Autumn Budget 2024

Introduction of High Value Council Tax Surcharge

Introduction of The High Value Council Tax Surcharge (HVCTS) – an annual levy on residential properties valued above £2m starting at £2,500 and increasing to a maximum of £7,500 on houses worth £5m and above. A deferral scheme is to be made available for those who may struggle to pay.

Introduced in Autumn Budget 2025

Salary Sacrifice changes

Changes to pension salary sacrifice rules come into effect. NI payable on contributions above £2,000.

Introduced in Autumn Budget 2025

Tax bands frozen

Income tax and IHT thresholds frozen until April 2031.

Further extended in Budget 2025

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