NexTeam ACCOUNTANTS
Chartered Certified Accountant
Strategic Accounting for Growing Businesses

CLIENT BRIEFING

Autumn Budget 2026

Budget: 28 October 2026 | Updated: 29 October 2026

Tax, investment and personal finances

What clients need to know
Property and savings income face higher tax from April 2027. Business disposal relief narrows, while investment allowances and the trading allowance change. Employers should budget for higher minimum wages and prepare for benefits payrolling.

PROPERTY, SAVINGS AND DISPOSALS

Property income: rates increase to 24%, 44% and 49% from 6 April 2027. The residential finance-cost tax credit rises to 24%. Devolved property tax powers may affect the position in Scotland and Wales.

Savings income: rates rise to 24%, 44% and 49% from 6 April 2027, UK-wide. Review taxable interest alongside available savings allowances and ISAs.

Trusts: the property and savings basic rate becomes 24%; the discretionary / accumulated income rate becomes 49% from 6 April 2027.

Business Asset Disposal Relief: the lifetime gains limit falls from £1 million to £500,000 for disposals from 6 April 2027. Contract and share-exchange rules need careful review.

Founders' Relief: proposed 10% CGT on up to £10 million of qualifying lifetime gains from 6 April 2027. This targets qualifying high-growth company founders; consultation closes 30 November 2026.

INVESTMENT AND SELF-EMPLOYMENT

Capital allowances: main-rate first-year allowance rises from 40% to 50% for qualifying spending from 1 January 2027. Main-pool writing-down allowance falls from 14% to 12% from 1 April 2027 for companies and 6 April 2027 for income tax.

Full expensing and AIA: 100% full expensing and the £1 million Annual Investment Allowance remain. Check asset eligibility before timing purchases.

Trading allowance: increases from £1,000 to £3,000 from 6 April 2027. This is an income allowance, rather than an extra deduction on top of actual expenses.

Business mileage: 55p for the first 10,000 car / van business miles is made permanent; the rate above 10,000 miles rises to 35p from 6 April 2027. Keep mileage records.

ALLOWANCES AND PENSIONS

Cash ISAs: the £20,000 cash limit is retained for all adults from April 2027; the planned £12,000 under-65 cap is dropped. The overall annual ISA limit remains £20,000.

Pension Tax Allowance: applies from 6 April 2027 to 5 April 2030 for eligible people over State Pension age whose total income is at or below the full new State Pension, with a taper just above it.

Inheritance tax: £325,000 nil-rate band and £175,000 residence nil-rate band remain frozen. Unused pensions enter the IHT regime from 6 April 2027; review estate planning.

Pension annual allowance: the standard £60,000 allowance remains, subject to individual restrictions.

KEY RATES RETAINED

Income tax: earnings / pension headline rates unchanged; the standard Personal Allowance stays £12,570 and bands remain frozen.

Dividends: 10.75%, 35.75% and 39.35%; dividend allowance £500.

CGT: standard rates 18% and 24%; annual exempt amount £3,000.

Corporation tax: 25% main rate and 19% small-profits rate; marginal relief rules continue.

NIC: employee main rates 8% and 2%; Employment Allowance £10,500. NIC thresholds remain frozen to 2030/31, apart from the lower earnings limit.

VAT: registration threshold remains £90,000.

HOUSEHOLD SUPPORT

Energy: £100 payment from January 2027 for households in England in council tax bands A-D. Devolved governments receive equivalent funding.

Electricity and fuel: domestic electricity 0% VAT and the 5p fuel duty cut extend to 30 June 2027. Gas standing charges are to be abolished from 2027 onward.

General information only. Announced measures may require legislation; eligibility and devolved rules can differ. Seek advice before acting.

NEXTEAM ACCOUNTANTS | 020 3608 3490 | info@nexteamaccountants.com
NexTeam Accountants is the trading name of Nextax Advisors and Consultants LTD

NexTeam ACCOUNTANTS
Chartered Certified Accountant
Strategic Accounting for Growing Businesses

Autumn Budget 2026

Budget: 28 October 2026 | Updated: 29 October 2026

Employers, compliance and your next steps

EMPLOYERS AND SHARE SCHEMES

Minimum pay from 1 April 2027: £13.21 an hour for ages 21+; £11.27 for ages 18-20; £8.31 for ages 16-17 and eligible apprentices. Budget for the wider payroll impact.

Benefits in kind: mandatory payrolling starts 6 April 2027 for company cars, vans, fuel and medical benefits. Most other benefits follow from April 2028.

CSOP / EMI2: the option limit doubles to £120,000 and no longer counts towards the EMI limit; the exercise period extends to 15 years from 6 April 2027.

EMI: 180-day exercise window after a disqualifying event. Grants from 6 April 2027 are reported through the year-end return.

Longer-term planning: a new Parental Allowance for fathers, partners and adopters in Great Britain is planned from April 2029, including support for the self-employed.

VAT AND DIGITAL ADMINISTRATION

Online marketplaces: from October 2027, platforms collect VAT for UK VAT-registered businesses and other UK businesses with annual platform sales of at least £90,000. Personal sales, second-hand goods and B2B transactions are excluded.

Overseas services: from April 2027, the reverse charge is restricted to VAT-registered UK businesses. Overseas suppliers to unregistered UK businesses must account for VAT under the normal rules.

E-invoicing: VAT invoices must use a specified electronic format from 1 April 2029. Review software readiness as detailed requirements emerge.

VAT / PAYE payments: Direct Debit instructions become mandatory from April 2029. Other methods remain available before a cut-off; Direct Debit collects unpaid balances.

HMRC AND SELF ASSESSMENT

MTD: April 2027 joiners receive no late-submission penalty points for their first four 2027/28 quarterly updates. Updates are still required.

From April 2028: the £2,500 employment-expenses Self Assessment threshold is removed; new duties require correction of identified return errors.

From April 2029: more regular in-year payments replace the current payments-on-account approach for affected Self Assessment taxpayers. Plan cash flow early.

MORE MEASURES WORTH REVIEWING

Business rates in England: from April 2027, qualifying retail, hospitality and leisure properties receive 100% small-business relief up to £18,000 rateable value, with tapered relief up to £21,000.

Pubs, social clubs and eligible music venues: relief rises from 15% to 35% from April 2027. Qualifying retail, hospitality and leisure bills receive a real-terms freeze for 2027/28 and 2028/29, subject to exceptions.

Company distributions: reforms planned from April 2028 may affect how shareholder receipts are taxed. Draft legislation is expected in 2027; review buybacks, reorganisations and succession plans when details emerge.

Energy-intensive manufacturers: the British Industrial Competitiveness Scheme offers eligible firms a 20-25% electricity discount from April 2027, including a 2026/27 back payment.

YOUR BUDGET ACTION LIST

Business owners: review disposal timing and BADR eligibility before April 2027. Do not accelerate a sale without checking commercial and anti-forestalling consequences.

Landlords and savers: forecast 2027/28 liabilities, use available allowances and consider ownership arrangements with advice.

Employers: update wage budgets, payroll software, benefit records and staff communications ahead of April 2027.

Growing businesses: compare AIA, full expensing and first-year allowances before ordering equipment; review share-scheme eligibility.

Retail and hospitality: check your rateable value, relief eligibility and the council's revised bill.

All clients: maintain digital records and build future tax payments into cash-flow forecasts.

Plan your next step
Discuss your next steps with NexTeam Accountants.
020 3608 3490
info@nexteamaccountants.com

Sources: HM Treasury, Budget 2026, published 28 October 2026, especially chapter 7; supplied client-summary reference. Government material contains public sector information licensed under the Open Government Licence v3.0. This briefing distinguishes future announcements from current rules; it is not a complete account of every measure.

General information only. Announced measures may require legislation; eligibility and devolved rules can differ. Seek advice before acting.