Autumn 2026 Budget Highlights

Davis & Co.
New Forest Accountants

- The income tax personal allowance and thresholds, as well as employee and self-employed national insurance contribution thresholds, are unchanged and will still be frozen until 6 April 2031.

- From April 2029 Income Tax Self Assessment taxpayers that fall into the Payments on Account regime will make more regular in year payments towards their final tax bill. Frequency of payments is not yet determined and payments will be estimated based on the 2027/28 Tax Return.

- Sole traders and landlords with qualifying income over £30,000 join Making Tax Digital for Income Tax (MTD) from April 2027, and it has been advised will not be charged late submission penalties for the 2027/28 tax year.

- For Landlords in England, Wales and Northern Ireland, property income will now have its own tax rates from April 2027, at 24% for basic rate, 44% for higher rate and 49% for additional rate taxpayers, being an increase of 2% from the last Budget.

- Online marketplaces like Amazon, eBay and Temu to be made responsible for collecting VAT owed by sellers using their platforms from October 2027.

- The Trading Allowance, the amount you can earn from small self-employed or side income without paying tax on it, triples from £1,000 to £3,000 from April 2027.

- HMRC to get stronger powers to forcibly deduct tax owed from people's bank accounts, if they fail to respond to enquiries.

- Interest on Student Loans Plan 2 and Plan 3 is capped at 6% until 31st August 2027.

- It was announced last Budget that from April 2027 the rates of income tax on savings income will rise by two percentage points to 22% (currently 20%) for basic rate, 42% (currently 40%) for higher rate and 47% (currently 45%) for additional rate taxpayers, however, this has now been increased by a further 2% to 24% for basic rate, 44% for higher rate and 49% for additional rate taxpayers.

- The cash ISA limit to remain at £20,000 and plans to lower the limited to £12,000 for under 65's scrapped.

- Threshold for Business Asset Disposal Relief in Capital Gain Tax cut from £1million to £500,000 from April 2027.

- No changes to VAT Thresholds.

- No increase in the Main Capital Gains Tax Rates, despite much speculation.

- From 1 April 2027 the National Minimum Wage will increase to £13.21 an hour for over 21's, an increase 3.9%. This is known as the national living wage. For workers aged 18 to 20 the new rate will be £11.27.

- Parental Pay extended to self employed fathers and parents in same-sex couples.

- The payroll of Benefits in Kind becomes mandatory from April 2027 for company cars, car fuel, vans, van fuel and employer provided medical benefits, including private medical insurance and similar medical cover.

- The temporary 55p per mile rate for the first 10,000 business miles has become permanent and the rate above 10,000 business miles increasing from 25p to 35p per mile from April 2027.

- As advised previously, a pay-per-mile charge will be introduced for electric vehicles of 3p per mile and for hybrids of 1.5p per mile from April 2028.

- The freeze on fuel duty has been extended again to July 2027.

- As advised previous, Salary Sacrifice to fund pension contributions will effectively be capped at £2,000 a year, starting in 2029/30.

- New flat rate state pension to rise by £488 from April 2027, equivalent to 3.9% under the triple lock policy.

- A new tax-free allowance for low income pensions, to ensure those with income up to the value of the full new state pension will not pay income tax. The pension allowance will increase for the 2028/29 and 2029/30 tax years in line with increases in the state pension.

- Unpaid carers will no longer lose their entire Carer's Allowance if they earn more than £204 a week after tax with a Taper Rate being introduced from the 2030/31 tax year.

- As advised previously, the IHT nil rate band and residential nil rate band will be frozen for another year until 6 April 2031.

- Pension funds and death benefits to be brought into IHT from April 2027.

- No changes to the 7-year window for lifetime gifting exemptions or taper relief.

Davis&Co/02.11.26.