

# UK BUDGET CHANGES

## TIMELINE

Autumn Budget October 2024		Autumn Budget November 2025		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
<b>Autumn Budget immediate changes</b>  <b>Changes to the inheritance tax (IHT) system</b> – excluded property trusts established after Budget day (where settlor can benefit) would be a gift with reservation.  <b>Increase to Capital Gains Tax (CGT)</b> – basic and higher rate increase to 18% and 24% respectively.	<b>Autumn Budget changes for new tax year</b>  <b>Changes to the IHT regime</b> 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.  <b>Removal of the remittance basis regime for non-domiciles and introduction of Foreign Income and Gains (FIG) regime.</b>  <b>Temporary Repatriation Facility starts</b> for those previously claiming remittance basis – allowing reduced rates of tax on foreign income and gains that are remitted to the UK.	<b>Changes to inheritance tax reliefs</b>  £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.  <b>Introduced in Autumn Budget 2024 and amended in Autumn Budget 2025</b>  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.  <b>Dividend tax changes</b>  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.  <b>Limit applied to Relevant Property charges to Excluded Property Trusts settled prior to 30 October 2024</b>  A rolling 10-year limit to the relevant property charges for pre-30 October 2024 excluded property trusts of £5m put in place.  <b>Changes to Venture Capital Trust (VCT) taxation</b>  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.  <b>Introduced in Autumn Budget 2025</b>	<b>Temporary Repatriation Facility - rate increases</b>  The TRF rate moves up to 15% from 12% for final year.  <b>Introduced in Autumn Budget 2024</b>  <b>Pension death benefits charged</b>  Unused pension death benefits will become part of a person's estate for IHT purposes on death.  <b>Introduced in Autumn Budget 2024</b>  <b>ISA contribution changes</b>  The annual cash-ISA allowance will be reduced to £12,000 for under 65's.  <b>Property and Savings rates of tax changed</b>  2% increase on property and savings rates of income tax – basic rate increased to 22%, higher rate increased to 42% and additional rate increased to 47%. Changes to order of taxation with property income sitting after non-savings income but before savings income.  The personal allowance will be deducted against non-savings income prior to property, savings or dividend income.  <b>Introduced in Autumn Budget 2025</b>	<b>Temporary Repatriation Facility ends</b>  End of the Temporary Repatriation Facility for those previously claiming remittance basis.  <b>Introduced in Autumn Budget 2024</b>  <b>Introduction of High Value Council Tax Surcharge</b>  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.  <b>Introduced in Autumn Budget 2025</b>	<b>Salary Sacrifice changes</b>  Changes to pension salary sacrifice rules come into effect. NI payable on contributions above £2,000.  <b>Introduced in Autumn Budget 2025</b>	<b>Tax bands frozen</b>  Income tax and IHT thresholds frozen until April 2031.  <b>Further extended in Budget 2025</b>

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UL PR 00487 | 01/26