MorrisLane
chartered accountants

TODAY'S AUTUMN BUDGET – HIGHLIGHTS

28 OCTOBER 2026

- **PERSONAL TAX THRESHOLDS AND RATES**

  These have remained unchanged. Some minor allowances have been increased linked to CPI.

- **INCOME TAX ON PROPERTY AND SAVINGS INCOME**

  A further 2% increase for 2027/28 being 24% for a basic rate taxpayer, 44% for a higher rate taxpayer and 49% for an additional rate taxpayer.

- **TAX FREE TRADING ALLOWANCE**

  Tax free trading allowance increasing to £3,000 from £1,000 from 6 April 2027.

- **COMPANY SHARE OPTION PLANS**

  Individual limit increasing to £120k from £60k.

- **CAPITAL ALLOWANCES**

  Main rate of first year allowance to increase to 50% after 1 January 2027, from 40%.

  Main rate writing down allowance is to reduce to 12% from 1 April 2027, from 14%.

- **ISA CASH LIMIT**

  The ISA cash limit is to remain at £20,000.

- **PAYMENT DATES FOR SELF-ASSESSMENT**

  Regular in year payments from April 2029.

- **IMMIGRATION SKILLS CHARGE AND CERTIFICATE OF SPONSORSHIP FEES – Benefit in Kind**

  Employer payments from 28 October 2026 will not be treated as a Benefit in Kind.

- **TAX FREE MILEAGE RATES**

  The tax free mileage rate will be 55p per mile for the first 10,000 miles and 35p (from 25p) per mile for annual mileage above 10,000 miles.

- **TAX RELIEF FOR EMPLOYMENT EXPENSES**

  Cap of £2,500 to be removed from 6 April 2028.

- **PENSION TAX ALLOWANCE (PTA)**

  From 6 April 2027 for taxpayers with whose total income is up to the value of the full new State Pension, the PTA will be granted so that no tax is payable.

  For those with income in excess, the PTA will be withdrawn through taper.

- **CLOSE COMPANY REPORTING**

  New reporting requirements postponed.

- **CAPITAL GAINS TAX – FOUNDERS' RELIEF**

  A new 10% rate on up to £10m of lifetime gains.

- **CAPITAL GAINS TAX – BUSINESS ASSET DISPOSAL RELIEF**

  Reducing from £1m to £500k from 6 April 2027.

- **BUSINESS RATES – Relief for pubs, social clubs and live music venues**

  The relief is being increased from 15% to 35% from 1 April 2027 except for live music venues with a rateable value of £1m or above.

- **BUSINESS RATES – Small Business Rates Relief for Retail, Hospitality and Leisure (RHL)**

  The 100% relief threshold will increase from 1 April 2027 to £18,000 from £12,000.

  For qualifying RHLs, business rate increases will be capped at CPI for 2027/28 and 2028/29.

- **NATIONAL LIVING WAGE**

  Increasing by 3.9% on 1 April 2027 to £13.21 per hour.

- **ELECTRICITY – VAT 0%**

  The temporary 0% VAT rate for domestic electricity is to be extended to 1 July 2027.

- **FUEL DUTY – 5p per litre cut**

  The temporary 5p per litre (3.7p per litre red diesel) fuel duty cut is to be extended to 1 July 2027.

- **HIGH VALUE COUNCIL TAX SURCHARGE**

  100% premium on properties left empty and unoccupied for 12 months or more.

- **BANK CORPORATION TAX SURCHARGE**

  Temporary increase to 6% (from 3%) from 1 January 2027 – 31 March 2028.

- **ASSISTANCE WITH HOUSE PURCHASE – 'YOUR FIRST HOME'**

  A government equity loan of 20% interest free for 5 years for first time buyers purchasing a new build home with a deposit of at least 2.5%, and a repayment mortgage with a participating lender.

  Must be for main home and household income of less than or equal to £110K outside London or less than or equal to £140k inside London.

  There will be property price caps typically in the range of £220k - £375k outside London, £650k in Inner London and £500k in Outer London.

  Interest in year 6, 1.5% per annum and from year 7, 3% per annum.

  Repayment is 20% of the value of the home when loan is repaid.

  Developers will pay a participation fee of 1% for the first 100 homes, 3% 101 – 250, 4% in excess.

- **PARENTAL ALLOWANCE**

  Self-employed fathers, partners and adopters recently employed or unemployed from April 2029.

- **BRITISH BUSINESS BANK**

  Additional capacity of £5 billion.

- **SOCIAL AND AFFORDABLE HOMES**

  Further £1.5 billion of funding.

- **YOUNG ENTREPRENEURS ALLOWANCE**

  Support towards living costs during first year of business.

Based on the Chancellor's Autumn Budget 2026 and is subject to amendment.
May differ in Wales and Scotland