

2018 Autumn Budget Summary

Philip Hammond, delivered his 2018 Autumn budget speech to the House of Commons on Monday 29 October 2018. The main points have been summarised below:-



Personal and Employment Taxes

- The personal allowance will increase to £12,500 from April 2019 (the amount you earn tax free).
- The higher rate threshold will rise to £50,000 from April 2019 (£46,350 since April 2018).
- The National Living Wage will rise by 4.9%, from £7.83 per hour to £8.21 per hour from April 2019.
- All first-time buyers purchasing shared equity homes of up to £500,000, to be exempt from stamp duty.

Corporate and Business Taxes

- The VAT threshold will remain at £85,000 for small businesses until April 2022.
- Economic growth forecast for 2019 has been raised from 1.3% to 1.6%.
- Annual Investment Allowance (AIA) will increase to £1 million from 1 January 2019 to 31 December 2020, to help businesses to invest and grow.
- Structures and Buildings Allowance (SBA) - From October 2018, businesses will be able to deduct 2% of the cost of any new non-residential structures and buildings off their profits before they pay tax.
- Capital Allowances special rate reduction - From April 2019, the capital allowances special rate for qualifying plant and machinery assets will be reduced from 8% to 6% to more closely match depreciation.
- Entrepreneurs' Relief: minimum qualifying period – From 6 April 2019, the minimum period throughout which the qualifying conditions for relief must be met will be extended from 12 months to 24 months.
- For small and medium-sized enterprises, from 1 April 2020, the amount of payable R&D tax credit that a qualifying loss-making company can receive in any tax year will be restricted to three times the company's total PAYE and NICs liability for that year.
- From April 2019, the contribution of small companies to apprenticeship levy to be reduced from 10% to 5%.
- A new tax on plastic packaging to be introduced, on packaging which does not contain 30% recyclable material.

Universal Credits

- From April 2019, Universal Credit (UC) claimants will benefit from a £1,000 increase in work allowances. Working parents and people with disabilities on UC will be £630 better off every year as a result of this change.

Other

- An additional £320 million through to 2020-21 made available to Northern Ireland Executive, meaning more money to spend in devolved areas, including education, health and housing,
- Belfast City Region Deal will be allocated an additional £350 million, and formal negotiations to open a Derry/Londonderry and Strabane City Region Deal will commence at a later stage.
- Fuel Duty will remain frozen for the ninth year in a row.
- £4bn funding will be provided to help departments to prepare for Brexit for 2019-20.

Are you letting your old Principal Private Residence?

- After 6 April 2020 the tax free period for selling your principal private residence after you leave it is to be reduced from 18 months to 9 months and the capital gains tax exemption you got for letting your own home is to be removed unless you still live in the house while you are letting it.

Should you require any further information, have a simple question or require more detailed advice, please do not hesitate to contact us.