



SPRING BUDGET 2024

OVERVIEW

On 6th March 2024 the Chancellor, Jeremy Hunt, delivered the Spring Budget. The key announcements, and how they affect you, are summarised below.

INDIVIDUALS

- National Insurance – rate of Class 1 NICs paid by employees cut from 10% to 8% from 6th April 2024.
- A further 2p will be cut from 6th April 2024 from the main rate of self-employed National Insurance on top of the 1p cut announced at Autumn Statement and the abolition of Class 2. The main rate of Class 4 NICs for the self-employed will now be reduced from 9% to 6%.
- The National Living Wage will now encompass individuals aged 21 and older, expanding from the previous age threshold of 23.
- Increase to the income threshold at which High Income Child Benefit Charge (HICBC) starts to be charged from £50,000 to £60,000 from April 2024.
- The rate at which the HICBC is charged will be halved from 1% of the Child Benefit payment for every additional £100 earned above the threshold, to 1% for every £200. This means Child Benefit will not be withdrawn in full until individuals earn £80,000 or higher.
- A new 'British ISA' which will provide another £5,000 of annual tax-free investment in UK equities. Abolishment of the current tax regime for non-UK domiciled individuals to be replaced with a residence-based regime: from April 2025 anyone who has been tax resident in the UK for more than four years will pay UK tax on their foreign income and gains, regardless of their domicile status.
- Stamp Duty relief will be abolished for those buying more than one dwelling. The higher rate of Capital Gains Tax of 28% for residential properties is reduced to 24%.
- Abolishment of the Furnished Holiday Lettings (FHL) preferential tax regime from 6 April 2025. This will eliminate the tax advantage for landlords who let out short-term furnished holiday properties over those who let out residential properties to longer-term tenants.
- From 1 April 2024, personal representatives of estates will no longer need to have sought commercial loans to pay inheritance tax before applying to obtain a "grant on credit" from HMRC.

BUSINESS & ECONOMY

- The threshold at which small businesses must register to pay VAT increases from £85,000 to £90,000 from April 2024.
- A package of tax reliefs for creative industries is announced, with plans for a new tax credit for independent films.
- "Windfall" tax on the profits of energy firms, which had been scheduled to end in March 2028, is extended until 2029.
- Plans to allow full expensing to apply to leased assets. Full expensing allows businesses to offset investment in items such as new factory machinery and IT equipment against tax.
- Recovery Loan Scheme changes to Growth Guarantee Scheme and support extended to continue to allow SME's to access funding.
- Up to £120 million pledged to build supply chains for new green technologies.
- Freeze on alcohol duty will be extended to February 2025, and a freeze on Fuel Duty is extended for 12 months.