

Insights

AUTUMN BUDGET 2024 – 10 KEY TAX POINTS FOR BUSINESS

Oct 31, 2024

SUMMARY

Yesterday, 30 October 2024, the Chancellor announced that the Autumn 2024 budget will raise taxes by £40bn, the biggest raise since 1993. While the Autumn budget arguably does not portray as pessimistic an outlook for individuals as was speculated, the rise in employers' national insurance contributions will, undoubtedly, not have been welcomed by business.

In this blog, we summarise 10 key tax announcements made at the budget that are relevant for business. It is not exhaustive, but provides a quick snapshot on a momentous budget.

Summary of announcements

Tax	Pre-budget position	Post-budget position	Timescale
Corporation tax	25% rate payable for companies with profits over £250,000.	Headline rate is capped at 25%.	No change until the end of the current Parliament.
Capital allowances	Full expensing on qualifying investments.	Maintain full expensing on qualifying investments and potentially extend it to assets bought for leasing or hiring.	No change until the end of the current Parliament on existing full expensing. No timescale for possible extension to leasing or hiring.

Capital gains tax	<p>10% payable under the lower rate.</p> <p>18% under the higher rate.</p>	<p>20% payable under the lower rate.</p> <p>24% under the higher rate.</p> <p>Anti-forestalling provisions to affect arrangements entered into in respect of unconditional but uncompleted contracts before 30 October 2024.</p>	Effective immediately.
Business Asset Disposal Relief (BADR) and Investors' Relief	<p>Reduced rate of 10% is payable on capital gains.</p> <p>Lifetime limit of £1m gains for BADR.</p> <p>Lifetime limit of £10m gains for investors' relief.</p>	<p>Initially, a 14% rate is payable on capital gains.</p> <p>This shall rise to 18%.</p> <p>No change.</p> <p>Lifetime limit of £1m gains for investors' relief, matching the BADR limit.</p> <p>For the BADR and investors' relief changes, anti-forestalling provisions apply.</p>	<p>Effective from 6 April 2025.</p> <p>Effective from 6 April 2026.</p> <p>Effective immediately.</p>
Employers' national insurance contributions	13.8% rate payable on the income of each employee over £9,100.	15% rate payable on the income of each employee over £5,000.	Effective 6 April 2025.
Stamp Duty Land Tax	<p>3% surcharge payable on additional dwellings.</p> <p>15% rate payable on the purchase by corporate bodies of dwellings costing over £500,000.</p>	<p>5% surcharge payable on additional dwellings.</p> <p>17% rate payable on the purchase by corporate bodies of dwellings costing over £500,000.</p>	All changes effective 31 October 2024.
Business rates - retail, hospitality and leisure	If eligible, 75% relief for 2024-2025 capped at	If eligible, 40% relief for 2025-2026 capped at	Effective from 1 April 2025.

sectors	£110,000.	£110,000. Permanently lower multipliers from 2026-2027.	Effective from 1 April 2026.
Carried interest	28% rate payable for tax on carried interest that is taxed as capital.	32% rate payable for tax on carried interest that is taxed as capital. Taxed under income tax regime, with tax reduced by applying a 72.5% multiplier for qualifying carried interest. HMRC consulting on conditions for carried interest to be qualifying.	Effective from 6 April 2025. Effective from 6 April 2026.
	35% rate payable on extraordinary profits of oil and gas companies operating in the UK or on the UK Continental Shelf. 29% investment allowance and 80% decarbonisation investment allowance available. Levy to expire on 31 December 2025.	38% rate payable. 66% decarbonisation investment allowance is available (general investment allowance abolished). Levy to expire on 31 March 2030.	All changes effective from 1 November 2024.
Energy Profits Levy			
Inheritance tax for shares on AIM	100% relief available as part of Business Property Relief.	50% relief available as part of Business Property Relief.	Effective from 6 April 2026.

* With thanks to Elizabeth Tomlinson for her assistance in writing this blog.

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