Hindocha Pandit & Co Limited

CHARTERED CERTIFIED ACCOUNTANTS &
CHARTERED TAX ADVISORS

Tax Data 2027/2028

Autumn Budget

October 2026

Professional advice should be sought before taking any action based on this budget summary.

Income Tax

2027/28	Taxable income £	Dividends %	Savings/ property income %	Other %
Starting rate band for savings	0–5,000	N/A	0	N/A
Basic rate band	0–37,700	10.75	24	20
Higher rate band	37,701–125,140	35.75	44	40
Additional rate band	Excess	39.35	49	45
2026/27				
Starting rate band for savings	0–5,000	N/A	0	N/A
Basic rate band	0–37,700	10.75	20	20
Higher rate band	37,701–125,140	35.75	40	40
Additional rate band	Excess	39.35	45	45

Dividends are deemed to be the top slice of income in computing the tax liability, followed by other savings income.

The Scottish and Welsh Parliaments have power to vary the income tax rate for income other than savings or dividends. The rates above apply to the rest of the UK.

Pension Tax Allowance can be claimed in full by individuals that have no other taxable income except their state pension. The allowance is reduced by £1 for every £3 of other income received.

	2027/28		2026/27	
	£	%	£	%
Personal Allowance (note 1)	12,570	100	*12,570*	*100*
Married Couple's Allowance (note 2)	12,110	10	*11,700*	*10*
Marriage Allowance (note 3)	1,260	100	*1,260*	*100*
Blind Person's Allowance	3,370	100	*3,250*	*100*
Savings Allowance – Higher rate taxpayers	500	100	*500*	*100*
Savings Allowance – Basic rate taxpayers	1,000	100	*1,000*	*100*
Dividend Allowance	500	100	*500*	*100*
Trading Allowance	3,000	100	*1,000*	*100*

Notes:

(1) Personal allowances for those with taxable income in excess of £100,000 are reduced by £1 for every £2 of taxable income in excess of £100,000.

(2) The allowance is reduced by 50% of the excess of the total income above £40,600 (2026/27 – £39,200). The minimum Married Couple's Allowance after such reduction, if applicable, is £4,690 (2026/27 – £4,530). The Married Couple's Allowance is only available where either spouse was born before 6 April 1935.

(3) An individual may transfer up to this amount of their unused Personal Allowance to their spouse/civil partner provided that the recipient does not pay tax at the higher or additional rates.

Trusts and estates	2027/28 Dividends %	2027/28 Savings/ Property Income %	2027/28 Other %	2026/27 Dividends %	2026/27 Savings/ Property Income %	2026/27 Other %
Life interest trusts and estates in administration	10.75	24	20	*10.75*	*20*	*20*
Discretionary trusts	39.35	49	45	*39.35*	*45*	*45*

Trusts and estates with income of £500 or less are not subject to income tax. This exemption is divided equally between UK resident trusts with the same settlor (minimum of £100 per trust).

Pensions

Annual subscription limits	2027/28 £	2026/27 £
Annual Allowance limit (note 2)	60,000	*60,000*
Money Purchase Annual Allowance (note 3)	10,000	*10,000*

Notes:

(1) The maximum tax free lump sum that can be drawn by an individual is capped at £268,275, except where relevant protections have been claimed.

(2) The annual allowance is tapered by £1 for every £2 of adjusted income in excess of £260,000 (2026/27 – £260,000) subject to a minimum of £10,000 (2026/27 – £10,000). If relief is not used in a year it may be carried forward up to 3 years provided the individual was a member of a registered scheme in the year to which the unused relief relates.

(3) The MPAA relates to those individuals who have already started to draw pension benefits. There is no ability to carry forward unused allowances from the previous 3 years.

National Insurance Contributions

	2027/28		2026/27	
	Weekly earnings	Rate	Weekly earnings	Rate
Employed (Class 1)	**£**	**%**	**£**	**%**
Primary contributions (employees)	0-242	Nil	*0-242*	*Nil*
	243-967	8	*243-967*	*8*
	Over 967	2	*Over 967*	*2*
Secondary contributions (employers)	Over 96	15	*Over 96*	*15*

An annual allowance of £10,500 (2026/27 - £10,500) is available to offset against an employer's Class 1 secondary liability with certain restrictions.

Employers pay 15% (2026/27 - 15%) Class 1A/1B contributions on the cost of benefits in kind.

Self-employed

Class 2 contributions ceased to be mandatory from 6 April 2024. Voluntary contributions can continue to be made at a rate of £3.80 (2026/27 - £3.65) per week.

Class 4 contributions are 6% (2026/27 - 6%) of annual profits between £12,570 and £50,270 (2026/27- between £12,570 and £50,270), and 2% thereafter (2026/27 - 2%).

Capital Gains Tax

Gains	2027/28 %	2026/27 %
Individuals – gains within basic rate band	18	*18*
Individuals – gains exceeding basic rate band	24	*24*
UK Trusts and estates in administration	24	*24*

Notes:

(1) The remaining basic rate band is calculated as £37,700 (2026/27 - £37,700) less taxable income and any gains on which business asset disposal relief has been claimed.

(2) Gains matched to capital payments from certain offshore trusts are chargeable at rates applicable to individuals plus a maximum supplementary charge of 60% of the tax.

(3) Non-resident individuals and trustees are subject to capital gains tax on direct and indirect disposals of all UK immovable property (subject to rebasing and certain reliefs). The same applies to non-resident companies except they are subject to corporation tax rather than capital gains tax.

(4) A capital gains tax return is required for the sale of UK residential property by UK resident individuals or trustees as well as for any direct or indirect disposals of UK immovable property by non-resident individuals or trustees. The capital gains tax return must be submitted within 60 days of completion together with a payment on account of the tax due.

Annual Exemption	2027/28 £	2026/27 £
Individuals	3,000	*3,000*
Trustees	1,500	*1,500*

The annual exemption available to trusts is normally divided equally between all those UK resident trusts made by the same settlor after 6 June 1978. The minimum exemption per trust is one tenth of the full annual exemption for individuals.

Capital Gains Tax disposal reliefs	2027/28	2026/27
Business Asset Disposal Relief – Tax rate	18%	*18%*
Business Asset Disposal Relief – Lifetime Allowance	£500,000	*£1 million*
Investors Relief – Tax rate	18%	*18%*
Investors Relief – Lifetime Allowance	£1 million	*£1 million*
Founders Relief – Tax rate	10%	-
Founders Relief – Lifetime Allowance (note 1)	£10 million	-

Notes:

(1) Any claims made for Business Asset Disposal Relief or Investors Relief reduces the lifetime allowance available for Founders Relief.

Changes to taxation of non-UK domiciliaries

Prior to 6 April 2025, non-UK domiciliaries who had been UK tax resident for fewer than 15 out of the 20 previous tax years could opt to be taxed on the remittance basis such that their foreign income and gains were only subject to UK taxation to the extent that they were remitted to the UK.

Since 6 April 2025, the remittance basis was abolished and has been replaced by a new residence based regime for people who have not been UK tax resident for at least 10 tax years. Where applicable, most foreign income and capital gains are exempt from UK tax for the first four tax years of UK residence, regardless of whether those funds are remitted to the UK. Once the exempt period has elapsed, individuals are subject to UK tax on their worldwide income and capital gains.

Since 6 April 2025, UK tax resident settlors not qualifying for the four-year regime are personally taxable on the income and capital gains arising within any non-UK resident settlor-interested trusts.

Individuals who are long-term UK tax residents are subject to UK inheritance tax on their worldwide assets. This is defined as those who have been UK tax resident for at least 10 of the last 20 tax years. This continues to apply for between 3 and 10 years after ceasing to be UK tax resident, depending on the length of residence. The UK inheritance tax treatment of a non-UK resident trust is determined by the long-term residence status of the settlor.

The following transitional provisions remain relevant:

- UK tax resident individuals who have previously claimed the remittance basis and are ineligible for the four-year regime or choose not to claim this will qualify for automatic rebasing of their personally held non-UK assets to their market value on 5 April 2017, provided they were not UK domiciled or deemed UK domiciled prior to 2025/26. This is subject to various conditions.
- From 2025/26 to 2027/28, individuals who previously claimed the remittance basis (whether deemed UK domiciled or not), can remit pre-6 April 2025 non-UK income and gains at a flat rate of 12% under the Temporary Repatriation Facility (TRF), rising to 15% for 2027/28. This includes non-UK income and gains received or attributed to them from an overseas trust before 6 April 2025.

Investments and Savings

Income tax relief and maximum qualifying investment per year	2027/28		2026/27	
	%	£	%	£
Seed Enterprise Investment Scheme ("SEIS")	50	200,000	*50*	*200,000*
Enterprise Investment Scheme ("EIS")	30	1,000,000	*30*	*1,000,000*
Venture Capital Trust ("VCT")	20	200,000	*20*	*200,000*

The minimum period of ownership necessary to avoid withdrawal of income tax relief is three years for EIS and SEIS investments, and five years for VCT investments.

For EIS investments, the limit is doubled to £2 million, where the investment is in 'knowledge-intensive' companies.

Capital gains tax relief

Any gain on investment in an EIS or SEIS company on which income tax relief has been given will be exempt from capital gains tax on a subsequent disposal after three years, subject to certain conditions. All gains on the disposal of shares in VCTs are exempt, up to the maximum qualifying investment.

50% of capital gains reinvested into a subscription for shares that qualifies for SEIS income tax relief in the same or following tax year are exempt from capital gains tax. The relief is withdrawn in circumstances where the related SEIS income tax relief is withdrawn.

Capital gains tax deferral (EIS only)

Tax on capital gains can be deferred if the gains are reinvested into a subscription for qualifying (broadly, EIS) shares, without limit. Gains eligible to be reinvested are those realised within three years before and one year after the date of the subscription for the EIS shares. The deferred tax falls due when the related EIS shares are either disposed of or cease to be qualifying shares.

Individual Savings Accounts (ISAs)

Annual subscription limits	2027/28 £	2026/27 £
ISA	20,000	*20,000*
Junior ISA	9,000	*9,000*
Lifetime ISA (note 1)	4,000	*4,000*
Help to Buy ISA – closed for new applicants	200 pcm	*200 pcm*

Notes:

(1) The Lifetime ISA allows individuals to save up to £4,000 per annum with a contribution from the government of an additional 25%. The funds may be drawn to purchase a first home or at any time after the age of 60. Contributions are included as part of the ISA subscription limit.

(2) A new First Time Buyer ISA will replace the Lifetime ISA for new savers from April 2029 with similar tax relief and contribution limits. Tax free withdrawals from this new product will be restricted to funding the purchase of a first home.

Inheritance Tax

Rates	2027/28	2026/27
	%	%
Transfers on death	40	*40*
Transfers on death – reduced rate (note 1)	36	*36*
Chargeable lifetime transfers	20	*20*
	£	£
Nil rate band limit	325,000	*325,000*
Residence nil rate band limit (note 2)	175,000	*175,000*

Notes:

(1) The reduced rate applies to taxable estates where 10% or more of the estate is left to charity.

(2) The residence nil rate band is withdrawn by £1 for every £2 that the net value of the estate exceeds £2 million.

(3) From 6 April 2027, most unused pension funds and death benefits will be included in the value of a deceased person's estate for inheritance tax purposes.

Potentially exempt transfers

Inheritance tax does not generally arise on lifetime transfers between individuals provided that the donor survives the gift by at least 7 years.

Reduced tax charge on gifts within seven years of death:

Years before death	0 – 3	3 – 4	4 – 5	5 – 6	6 – 7
% of full tax charge at death	100	80	60	40	20

Credit is given for tax paid on lifetime transfers within seven years of death. If the value of the lifetime transfer falls within the nil rate band, the above relief may have no effect.

Trusts

Transfers to most trusts are taxed as lifetime transfers. Discretionary trusts and most trusts created on or after 22 March 2006 are subject to an IHT charge of up to 6% every 10 years, and exit charges.

Exemptions and reliefs	£
Normal expenditure out of income	Exempt
Annual exemption	3,000
Small gifts to same person – per year	250
Spouses and civil partners both with long-term UK residence	Exempt
Spouses and civil partners where donee is not long-term UK resident	325,000
Marriage gifts made by:	
parent	5,000
grandparent	2,500
other person	1,000
Gifts to charities and qualifying political parties	Exempt
Transfers of qualifying heritage assets (subject to various undertakings)	Exempt

Agricultural property relief	%
Transfers with vacant possession (or right to obtain within 12 months)	100
Land let under a tenancy for more than 12 months made on or after 1 September 1995	100
Most other cases	50

Business property relief (subject to exclusions)	%
Unincorporated businesses	100
Unquoted shares	100
Quoted shares (controlling holding)	50
Land, buildings, machinery or plant used by qualifying businesses	50

From 6 April 2026, the total value of qualifying property on which 100% agricultural and business property relief can be claimed is £2.5m. Thereafter, the applicable rate of relief will be 50%. The rate of business property relief available for AIM shares will also be reduced to 50%, regardless of the value of the qualifying property. These changes could impact gifts of qualifying agricultural or business property made on or after 30 October 2024, if the donor dies on or after 6 April 2026.

Tax payments on chargeable lifetime transfers

Inheritance tax on chargeable lifetime transfers and transfers becoming chargeable on death is due 6 months after the end of the month of transfer or death.

Pre-owned assets

A charge to income tax may arise on benefits received by individuals having free or low cost enjoyment of assets they formerly owned or funded, subject to some exemptions, including a de minimis of £5,000 a year of the taxable value of the benefit. For land and buildings the taxable benefit is the open market rent. For chattels and intangible property, the taxable benefit is determined by applying the official rate of interest to the capital value of the asset.

Corporation Tax

	Year from 1 April	
	2027	2026
	%	%
Main rate	25	*25*
Small companies rate	19	*19*
Marginal relief fractions for profits between the marginal limits are: £50,001 - £250,000	3/200	*3/200*
Effective rates of tax on such profits are: £50,000 - £250,000	26.5	*26.5*

The small companies rate applies to annual profits below £50,000. Marginal relief will be given for companies with profits between £50,000 (lower limit) and £250,000 (upper limit). Adjustments are made to these limits for associated companies.

Large and very large companies - quarterly payments on account

	Period from start of accounting period	
	Large companies	Very large companies
First	6 months and 14 days	2 months and 14 days
Second	9 months and 14 days	5 months and 14 days
Third	12 months and 14 days	8 months and 14 days
Fourth	15 months and 14 days	11 months and 14 days

Small and medium companies

	Period from end of accounting period
Due date	9 months and 1 day

Growing companies do not have to pay by instalments in the period in which they become large if their profits are less than £10 million.

A large company has profits exceeding £1.5 million. A very large company has profits exceeding £20 million. Adjustments are made to these limits for associated companies.

Corporation tax returns

The filing date is twelve months after the end of the accounting period. Special rules apply for periods of account of longer than twelve months.

Capital Allowances

First year / Initial allowances

The following capital expenditure, excluding expenditure on leases, second-hand assets and cars, is eligible for first year allowances for corporation tax purposes:

– 100% first year allowance for main rate expenditure - known as full expensing.

– 50% first year allowances for special rate expenditure.

Annual Investment Allowance ("AIA") - is available for both income tax and corporation tax purposes up to £1m. It also includes expenditure on second-hand assets and those acquired for leasing.

Enhanced capital allowances - 100% first year allowances are available on new zero emissions cars or goods vehicles and other environmentally friendly equipment.

A new 40% first year allowance was introduced on 1 January 2026 for main rate expenditure on most leased assets and expenditure by unincorporated businesses. The rate increased to 50% from 1 January 2027.

Annual writing down allowances ("WDA")	% of cost	
	2027/28	2026/27
Structures and buildings pool	%	%
Non-residential structures and buildings	3	*3*
	% of reducing balance	
Special rate pool	6	*6*
Long life assets (life of at least 25 years)		
Integral features of a building		
Cars (emissions of 50g/km and above)		
Thermal insulation and solar panels		
Main rate pool	12	*14*
Other plant and machinery		
Cars (emissions below 50g/km)		
Patents and know-how	25	*25*

Car and Fuel benefits

Company car benefits

The benefit is calculated using a percentage of the list price when new. This percentage is determined as follows:

CO_2 emissions (g/km)	2027/28 All cars %	2026/27 All cars %
0	5	*4*
1-50 (note 4)	5-16	*4-15*
51 and above	Increased by 1% for each 5g/km	*Increased by 1% for each 5g/km*

Notes:
(1) The maximum percentage is 37%.
(2) For diesel cars, the percentage is increased by 4%, still subject to the above maximum. This does not apply to RDE2 standard cars or diesel hybrids.
(3) Different rules apply for vehicles which meet the definition of a company van.
(4) For cars with emissions between 1 and 50 g/km the rate will be determined on the basis of the electric range in miles with lower percentages for those with higher electric ranges.

Fuel benefit scale rates

The benefit is calculated by applying the percentage as determined for car benefits to the fixed amount of £30,200 (2026/27 – £29,200). The fuel benefit scale charge is reduced to nil if the employee is required to, and does, make good the cost of all fuel provided for private use. Employer-provided electricity for use in employees electric or hybrid cars is an exempt benefit.

Authorised annual mileage rates

Tax free mileage allowances are 55p per mile (2026/27 – 55p) on the first 10,000 miles, and 35p thereafter (2026/27 – 25p). For National Insurance purposes the mileage allowance is 55p per mile (2026/27 – 55p) irrespective of annual mileage.

Value Added Tax

	%
Standard	20
Reduced	5

Thresholds	From 1 April 2027 £	From 1 April 2026 £
Registration threshold (for supplies in previous 12 months or next 30 days)*	90,000	*90,000*
Deregistration threshold*	88,000	*88,000*
Cash accounting scheme	1,350,000	*1,350,000*
Annual accounting scheme	1,350,000	*1,350,000*
Flat rate scheme	150,000	*150,000*
De minimis limits for partial exemption (provided exempt input tax is less than 50% of total input tax)	625 pcm	*625 pcm*

* Not available to non-established taxable persons.

Annual Tax on Enveloped Dwellings

Property value on the later of 1 April 2022 and acquisition	Annual tax 2027/28 £	2026/27 £
£500,000 - £1 million	4,750	*4,600*
£1 million - £2 million	9,750	*9,450*
£2 million - £5 million	33,300	*32,200*
£5 million - £10 million	78,050	*75,450*
£10 million - £20 million	156,750	*151,450*
Over £20 million	314,050	*303,450*

The tax for the 2027/28 year is payable by a company or other corporate body owning a high value residential property on 1 April 2027. The return and payment are due by 30 April 2027.

Stamp Duty Land Tax

Stamp Duty Land Tax does not apply in Scotland, which operates a separate Land and Buildings Transaction Tax, or in Wales, which operates a separate Land Transaction Tax.

Residential property

Consideration (incl VAT where applicable)	Within each band %
£0 – £125,000	Nil
£125,001 – £250,000	2
£250,001 – £925,000	5
£925,001 – £1,500,000	10
More than £1,500,000	12

The rate of SDLT is increased by 5% for purchases of residential property where the purchaser already owns at least one residential property, or for all purchases by companies and most trusts.

A charge of 17% applies to purchases of residential property by 'non-natural persons' (predominantly companies) for consideration in excess of £500,000 subject to certain exclusions.

The rate of SDLT is increased by 2% for all purchases of residential property by non-UK residents, in addition to other SDLT payable.

First-time buyers are exempt from SDLT on the first £300,000 of consideration on properties worth up to £500,000.

Non-residential property

Consideration (incl VAT where applicable)	Within each band %
£0 – £150,000	Nil
£150,001 – £250,000	2
More than £250,000	5

Lease rentals (residential and non-residential)

Net present value of lease payments	Within each band %
£0 – £125,000*	Nil
£125,001* – £5,000,000	1
More than £5,000,000**	2

* Nil band is £150,000 for non-residential property
** Applies only to non-residential property, otherwise the rate is 1%.

Returns and payments

Stamp duty returns must be filed within 14 days of the effective date of the transaction which is also the due date for payment of any tax.

Stamp Duty & Stamp Duty Reserve Tax

Shares and marketable securities

Standard rate	0.5%
Higher rate	1.5%

Transfers of shares or marketable securities traded on recognised growth markets are not subject to stamp taxes. Stamp duty reserve tax does not apply to transfers of holdings in unit trusts or open ended investment companies, except for non pro-rata redemptions in specie.

Transfer of a company's securities is subject to relief from the 0.5% Stamp Duty Reserve Tax charge for three years from the point the company lists on a UK regulated market.

These taxes are scheduled to be replaced by the Securities Transfer Tax in late 2027, a new single tax on securities transfers. No changes to tax rates are expected.

Tax Dates: Returns & Payments

Personal and trust tax returns

2027/28 paper return	By 31 October 2028
2027/28 online return	By 31 January 2029

Tax payments	2027/28	2026/27
First interim income tax payment	31 January 2028	*31 January 2027*
Second interim income tax payment	31 July 2028	*31 July 2027*
Final balancing income tax payment	31 January 2029	*31 January 2028*
Capital gains tax payment (excluding 60 day returns)	31 January 2029	*31 January 2028*

Professional advice should be sought before taking any action based on the budget summary