BLUE ROCKET ACCOUNTING



CLIENT GUIDE

Guide to the Autumn Budget 2026

The key tax changes for businesses, employers, landlords and individuals – and what to do about them.

Budget delivered 28 October 2026

YOUR TWO-MINUTE GUIDE

The Budget at a glance

The headline changes and what they could mean for you.

The Chancellor delivered the Autumn Budget on 28 October 2026, setting out plans to modernise many areas of the tax system alongside a series of announcements for businesses, individuals and their agents.

A number of the changes will affect business investment planning and cashflow. As with previous Budgets, more detail – and some added complexity – will follow over the coming weeks as consultations and further guidance are published.

EMPLOYERS

£13.21 / hour

National Living Wage from 1 April 2027 (up 3.9%). Review payroll budgets and pricing.

SMALL BUSINESSES & SIDE INCOME

£3,000

Trading allowance from 6 April 2027, up from £1,000.

LANDLORDS & SAVERS

24% · 44% · 49%

Income tax rates on property and savings income from April 2027.

BUSINESS OWNERS

£500,000

Business Asset Disposal Relief lifetime limit from 6 April 2027, down from £1 million.

THE BIG MESSAGE

Plan ahead, rather than react later.

Many changes begin in April 2027; others are phased in through to 2029.

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FIND WHAT APPLIES TO YOU

Your next steps

A practical checklist by client type. Focus on the sections relevant to you.

1 Limited companies

- [ ] Review the timing of capital expenditure and which allowances apply.
- [ ] Selling a business? Revisit Business Asset Disposal Relief and the new Founders' Relief before April 2027.
- [ ] Considering zero-emission cars or EV charge points? The 100% allowance ends in 2027.

See pages 5, 6 and 14

2 Employers

- [ ] Budget for the April 2027 wage increases.
- [ ] List the benefits currently reported on P11Ds and prepare for payroll reporting.
- [ ] Review salary sacrifice arrangements ahead of the 2029 NI cap.

See pages 7 and 11

3 Sole traders

- [ ] Check whether your income brings you into Making Tax Digital from April 2027 or 2028.
- [ ] Move to digital records and MTD-compatible software.
- [ ] Check whether the higher £3,000 trading allowance affects you.

See pages 8 and 12

4 Landlords

- [ ] Reforecast tax on rental profits at the new 24% / 44% / 49% rates.
- [ ] Check whether MTD applies to you from April 2027 or April 2028.

See pages 8 and 10

5 Individuals & families

- [ ] Review your will, pension nominations and estate plans before pensions enter the IHT net.
- [ ] Review tax on savings, business mileage records and first-home savings plans.

See pages 10 – 13

IMPORTANT DATES

What changes, and when?

Use this timeline to identify decisions that may need attention.

1 May 2026

- SDLT no longer applies to the rent element of assured tenancies

28 October 2026 – now

- Review the Budget and identify which measures affect you
- Pension death benefits paid after two years no longer taxable for that reason alone
- Employer-paid Skilled Worker visa fees exempt from employment income tax

1 January 2027

- First-year allowance for main-rate assets rises from 40% to 50%

31 March / 5 April 2027

- 100% allowances for zero-emission cars and EV charge points end

April 2027

- National Living Wage £13.21 · MTD for income over £30,000
- Property and savings income tax rates rise to 24% / 44% / 49%
- Payrolling of benefits in kind · trading allowance £3,000
- BADR limit £500,000 · Founders' Relief introduced · CSOP/EMI changes
- Writing-down allowance 12% · R&D claim notification removed · IHT on pensions

Autumn / October 2027

- VAT online marketplace rules extended to UK sellers · simpler R&D AIF
- Securities Transfer Tax replaces Stamp Duty on shares (late 2027)

April 2028

- MTD extends to income over £20,000 · £2m+ council tax surcharge begins

April 2029

- Mandatory e-invoicing · Direct Debit for VAT and PAYE · in-year Self Assessment payments
- £2,000 cap on salary sacrifice NI relief · First Time Buyer ISA replaces Lifetime ISA

Need help deciding what to do?

Speak to Blue Rocket before making significant tax or investment decisions.

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BUSINESSES

Corporation tax & capital allowances

Corporation tax

Budget 2025 extended the 100% first-year allowances (FYA) for qualifying expenditure on zero-emission cars and on plant or machinery for electric vehicle (EV) charge points until 31 March 2027 for corporation tax and 5 April 2027 for income tax. Budget 2026 has not extended them further, so the 100% FYA will end on those dates.

As part of modernising corporation tax administration, the government will publish a Call for Evidence on how a modernised system could better support companies to report and pay the right amount of tax first time. There were no other major corporation tax announcements.

BLUE ROCKET'S NOTE

Tax relief for qualifying zero-emission cars and EV charge points expires in 2027, and corporation tax administration may change later.

TAKE ACTION **If you are considering qualifying EV expenditure, discuss timing and eligibility with us before committing.**

Capital allowances

From 1 Jan 2027

The first-year allowance for qualifying main-rate assets will increase from 40% to 50%, extending relief beyond the existing full expensing and Annual Investment Allowance (AIA) rules to include the leasing sector. Cars, second-hand assets and assets leased overseas remain excluded.

The main-rate writing-down allowance will fall from 14% to 12% from 1 April 2027 for corporation tax and 6 April 2027 for income tax. A blended rate will apply to accounting periods that span these dates.

BLUE ROCKET'S NOTE

The timing and type of equipment purchase can change the tax relief available, particularly for leased assets.

TAKE ACTION **Discuss significant capital expenditure before you buy so the available allowances can be compared.**



BUSINESSES

Business rates, R&D & close companies

Business rates relief

From 1 Apr 2027

Small Business Rates Relief thresholds for qualifying retail, hospitality and leisure properties in England will increase:

RELIEF	RATEABLE VALUE UP TO
100% relief	**£18,000**
Tapered relief	**£21,000**

These thresholds will be reviewed alongside the 2029 revaluation. The existing 1p Transitional Relief Supplement will also be extended for two years. It affects properties with smaller changes in their rates bills and will help fund a two-year real-terms freeze for qualifying retail, hospitality and leisure properties.

Research & development (R&D) claims

From 1 April 2027 the R&D Claim Notification Form (CNF) will no longer be required for claims made on or after that date, removing the need to pre-notify HMRC of an intended claim.

From autumn 2027, HMRC will also streamline the Additional Information Form (AIF): reducing duplication, improving questions on contracting and externally provided workers, and clarifying project information requirements and the Enhanced R&D Intensive Support intensity ratio.

BLUE ROCKET'S NOTE

Removing pre-notification simplifies the process, but evidence and other claim requirements remain important.

TAKE ACTION **Keep clear records of qualifying projects, costs and technical uncertainties, and have claims reviewed before submission.**

Close company reporting

Following consultation on company payments to participators, the government will not introduce the proposed new reporting requirements at this time.



EMPLOYERS

Wages, payroll & benefits in kind

National Living Wage & Minimum Wage

From 1 Apr 2027

All rates increase by 3.9%:

RATE	FROM 1 APRIL 2027
National Living Wage	**£13.21** per hour
National Minimum Wage – age 18 to 20	**£11.27** per hour
Age 16 to 17 and eligible apprentices	**£8.31** per hour
Accommodation offset	**£11.53** per day

Payrolling benefits in kind

From Apr 2027

Employers will be required to report most taxable benefits in kind and expenses through payroll Real Time Information (RTI) rather than on annual P11D returns. Some benefits will follow a phased approach, so employers should check the final rules and exceptions.

BLUE ROCKET'S NOTE

Employers providing benefits such as private medical cover or company cars may need to change payroll processes and employee communications.

TAKE ACTION **Identify the benefits currently reported on P11Ds and speak to your payroll provider before April 2027.**

Visa costs paid by employers

From 28 Oct 2026

Employer-paid Skilled Worker visa sponsorship certificate fees and Immigration Skills Charges are exempt from employment income tax.



SOLE TRADERS & LANDLORDS

Making Tax Digital & the trading allowance

Making Tax Digital (MTD) for Income Tax

MTD will extend to sole traders and landlords with qualifying income above these thresholds:

FROM	QUALIFYING INCOME OVER
April 2027	**£30,000**
April 2028	**£20,000**

Those joining in April 2027 will not receive penalty points for late submission of their first four quarterly updates.

MTD has been delayed until further notice for certain groups, including those with trust or estate income, those using income averaging, those claiming qualifying care relief, and non-UK resident foreign entertainers or sportspeople.

BLUE ROCKET'S NOTE

More sole traders and landlords will need digital records and quarterly updates as MTD expands.

TAKE ACTION **Check whether your qualifying income brings you into MTD from April 2027, and set up suitable software and records now.**

Trading and property allowances From 6 Apr 2027

The tax-free Trading Allowance and the Self Assessment reporting threshold will both increase from £1,000 to **£3,000**.

BLUE ROCKET'S NOTE

Small side incomes may no longer need to be reported or taxed.

TAKE ACTION **If you have occasional trading income, check whether you can stop filing or claim the allowance instead of expenses.**



BUSINESSES

VAT & paying HMRC

E-invoicing

From 1 Apr 2029

VAT invoices will have to be issued in a specified electronic format. The government has published an implementation roadmap and will provide full details of the policy and technical design by April 2028. It has also consulted on potential future uses of the structured invoice data e-invoicing creates.

VAT online marketplace liability

From Oct 2027

Subject to the rules being finalised, online marketplaces will become responsible for collecting VAT on sales by UK VAT-registered businesses, and by any other UK business with annual sales of at least £90,000 per platform. The rules will not apply to personal sales, second-hand goods or business-to-business transactions.

Reverse charge on overseas services

From Apr 2027

The VAT reverse charge for B2B services from overseas will apply only where the UK customer is VAT registered. Where it is not, the overseas supplier will have to charge and account for UK VAT. Legislation will be in Finance Bill 2026–27.

BLUE ROCKET'S NOTE

UK businesses that are not VAT registered may start being charged UK VAT by overseas service suppliers.

TAKE ACTION **Review overseas software and service subscriptions and allow for any additional VAT cost.**

Direct Debit for VAT and PAYE

From Apr 2029

Businesses will need a Direct Debit instruction in place for VAT and PAYE return payments unless exempt. HMRC says it will only use the mandate as a safeguard to collect any liability still unpaid at the due date, so businesses keep flexibility over how they pay before then. HMRC will work with stakeholders to address concerns about misallocations, system errors and compatibility.



INDIVIDUALS

Income tax

Thresholds and rates

The Autumn Budget 2025 extended the freeze on the personal allowance (£12,570) and the higher-rate threshold (£50,270) until 2030–31.

No further rises in tax on employment income or dividends were announced. However, from April 2027 tax rates on property and savings income will rise by a further 2 percentage points, on top of the 2-point increase already announced. The property rates apply in England, Wales and Northern Ireland; the savings rates apply across the UK.

BAND	STANDARD RATE	PROPERTY & SAVINGS INCOME FROM APRIL 2027
Basic rate	20%	**24%**
Higher rate	40%	**44%**
Additional rate	45%	**49%**

BLUE ROCKET'S NOTE

Landlords and savers will pay more tax on the same income from April 2027.

TAKE ACTION **Reforecast your tax on rental profits and savings interest, and review how assets are held.**

BLUE ROCKET'S NOTE

Some pensioners with modest total income may avoid a small income tax liability.

High-value council tax surcharge From Apr 2028

Owners of residential properties in England valued at £2 million or more will pay an additional annual council tax surcharge. Valuations, exemptions, discounts and deferral arrangements will affect the amount payable.

BLUE ROCKET'S NOTE

Owners of high-value homes may face an additional annual property cost from 2028.

TAKE ACTION **If you own a potentially affected property, include the surcharge in cashflow planning and review the final valuation and relief rules.**



INDIVIDUALS

National Insurance, pensions & mileage

National Insurance 2027/28

The Class 1 Lower Earnings Limit, the Class 2 Small Profits Threshold and voluntary Class 2 and Class 3 rates will rise by 3.5%, in line with inflation. Other NI limits and thresholds remain frozen until 2030/31.

NI on pension salary sacrifice From Apr 2029

National Insurance relief on pension contributions made through salary sacrifice will be capped at £2,000 a year. Contributions up to £2,000 stay exempt; employee and employer NI will apply to amounts above the cap.

Employees can still use salary sacrifice to access Tax-Free Childcare or Child Benefit, although pension contributions above the cap will be subject to NI.

BLUE ROCKET'S NOTE

Salary sacrifice will become less valuable for higher pension contributions, for both employers and employees.

TAKE ACTION **Model the effect on your scheme and staff before 2029, and review remuneration packages.**

Approved mileage rates

The government is permanently increasing tax-free mileage rates for employees and self-employed people who use their own car or van for work:

BUSINESS MILES	TAX-FREE RATE	FROM
First 10,000 miles	**55p** per mile	April 2026
Over 10,000 miles	**35p** per mile	April 2027

BLUE ROCKET'S NOTE

Higher tax-free rates apply to qualifying business journeys in a personal vehicle.

TAKE ACTION **Update reimbursement policies and make sure every claim is supported by a journey log.**



INDIVIDUALS

Self Assessment payments & ISAs

More timely Self Assessment payments

From Apr 2029

Self Assessment taxpayers who make payments on account will pay more tax during the year, with Direct Debit as the default payment method. Those with PAYE income may be able to pay through PAYE instead.

From 2028, HMRC plans to introduce online and app tools to help taxpayers estimate their bills, make voluntary payments and track progress. More detail is expected in 2027, including payment frequency, support for those with cashflow difficulties, penalties, interest and transition arrangements. The government aims to keep the system flexible for self-employed people whose income changes.

BLUE ROCKET'S NOTE

Payments on account are moving towards in-year collection, which could change your cashflow.

TAKE ACTION **Start forecasting your tax liability regularly and build a cash reserve while the detailed timetable is confirmed.**

Individual Savings Accounts (ISAs)

The government has decided not to reduce the cash ISA limit, which stays at **£20,000**.

From April 2029, a new First Time Buyer ISA will replace the Lifetime ISA for new savers. It will pay a 25% bonus on the final balance, up to a maximum of £20,000, on withdrawal towards a first home worth up to £450,000. Existing Lifetime ISA holders can continue to pay in and use their accounts under the current rules.

BLUE ROCKET'S NOTE

The cash ISA limit is unchanged, but first-time buyer savings arrangements are changing.

TAKE ACTION **Review your savings plans before opening or switching a first-home savings account.**



WEALTH & ESTATES

Inheritance tax & pensions

Pensions brought into inheritance tax

From 6 Apr 2027

Most unused pension funds and pension death benefits will be included in estates for inheritance tax (IHT), as legislated in Finance Act 2026.

New legislation will also let estate administrators choose how pension assets are treated when calculating the reduced IHT rate for estates that leave money to charity. IHT rates are unchanged and thresholds remain frozen until April 2031.

HMRC is developing a digital IHT service to help executors manage cases online, speed up processing, provide clearer guidance and reduce paperwork.

BLUE ROCKET'S NOTE

Pensions may increase your IHT exposure from April 2027, and frozen thresholds will draw more estates into tax.

TAKE ACTION **Review your will, pension nominations and estate plans with the appropriate advisers.**

Pension death benefits

From 28 Oct 2026

Pension and lump sum death benefits will no longer become taxable solely because they are paid more than two years after the pension scheme learns of the death. Other tax rules, including IHT, still apply where relevant.



BUSINESS OWNERS

Capital gains & selling your business

Business Asset Disposal Relief

From 6 Apr 2027

The lifetime limit for Business Asset Disposal Relief (BADR) will fall from £1 million to **£500,000**.

Gift Holdover Relief will also be extended, through a revised calculation, to cover certain intangible assets and shares qualifying for the Substantial Shareholding Exemption.

New Founders' Relief

From 6 Apr 2027

Founders' Relief will introduce a 10% capital gains tax rate on qualifying disposals of shares or securities, subject to a £10 million lifetime limit. It is aimed at founders and early investors who have made a significant, long-term contribution to developing high-growth, innovative UK companies.

RELIEF	CGT RATE	LIFETIME LIMIT FROM APRIL 2027
Business Asset Disposal Relief	—	**£500,000**
Founders' Relief (new)	**10%**	**£10 million**

BLUE ROCKET'S NOTE

Owners planning an exit face a smaller BADR limit, while qualifying founders and early investors may benefit from the new 10% rate.

TAKE ACTION **If you are building or exiting a company, check your eligibility for both reliefs before planning a disposal.**



SHARES & PROPERTY

Share schemes & stamp taxes

CSOP and EMI schemes

From 6 Apr 2027

- The individual Company Share Option Plan (CSOP) limit doubles from £60,000 to £120,000, and its interaction with EMI limits is removed.
- The CSOP exercise period and certain disguised remuneration exceptions are extended to 15 years.
- Enterprise Management Incentives (EMI) relief is expanded for companies moving into Employee Ownership Trusts (EOTs).
- The EMI exercise window following a disqualifying event is extended to 180 days.
- EMI options will only need reporting on HMRC's end-of-year return, not separately when granted. Other compliance and record-keeping rules still apply.

Securities Transfer Tax

Late 2027

A new Securities Transfer Tax will replace Stamp Duty and Stamp Duty Reserve Tax on shares. Legislation will be introduced in Finance Bill 2026–27, with the changes taking effect through a commencement order in late 2027.

Stamp Duty Land Tax

Since 1 May 2026

SDLT no longer applies to the rent element of assured tenancies, and tenants no longer have to file an SDLT return solely because rent is payable under an assured tenancy.

BLUE ROCKET ACCOUNTING

Talk to Blue Rocket

Not sure which changes affect you? We're happy to help you plan ahead.

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