SOLE TRADERS

Autumn Budget 2026 | What you need to know

Trading allowance: £1,000 to £3,000

From 6 April 2027, more small-scale trading income may be covered. You cannot also deduct actual expenses against income covered by this allowance.

Business mileage: higher rates

55p per mile for the first 10,000 qualifying business miles from 6 April 2026; 35p above 10,000 miles from 6 April 2027, for eligible cars and vans.

Income Tax thresholds remain frozen

Tax rates are unchanged, but rising profits could push more of your income into a higher tax band.

VAT registration threshold: unchanged

The VAT registration threshold remains at £90,000 of taxable turnover (and the deregistration threshold at £88,000). Keep an eye on turnover as you grow.

If you employ staff

Employer NI stays at 15%; eligible employers can claim up to £10,500 Employment Allowance. The National Living Wage (age 21+) rises to £13.21/hour on 1 April 2027.

What this means for you

Keep mileage records, monitor turnover and plan for any higher staffing costs in your cash-flow forecast.

Clarity • Control • Confidence

General overview. Check eligibility and dates. Source: HMRC / HM Treasury.

LIMITED COMPANIES

Autumn Budget 2026 | What owners and employers should know

Corporation Tax: no change

19% on profits up to £50,000; Marginal Relief applies between £50,000 and £250,000; 25% above £250,000. Thresholds may be lower for associated companies or shorter periods.

Dividends: rates unchanged

Basic-rate dividend tax: 10.75%; higher-rate: 35.75%; additional-rate: 39.35%. Annual dividend allowance remains £500.

Employer NI and Employment Allowance

Employer National Insurance stays at 15% above the relevant threshold. Employment Allowance remains £10,500 for eligible employers.

National Living Wage increases

From 1 April 2027, the rate for employees aged 21+ rises from £12.71 to £13.21 per hour. Review your payroll budget and pricing.

Business Asset Disposal Relief: new limit

From 6 April 2027, the lifetime limit on qualifying gains eligible for the 18% Capital Gains Tax rate falls from £1 million to £500,000.

Investment and equipment

The main first-year allowance rises from 40% to 50%, while the main writing-down allowance falls from 14% to 12%. Eligibility depends on the asset.

General overview. Check eligibility and dates. Source: HMRC / HM Treasury.