



The much-anticipated Autumn Statement - announced by Chancellor Jeremy Hunt on Thursday 17th November 2022 - included a number of measures that will have an impact on your small business and landlord clients. Here's a roundup of the key takeaways.

Business tax and National Insurance changes

Rate of Class 2 National Insurance to increase

From 6th April 2023, the rate of Class 2 National Insurance for self-employed clients will increase to £3.45 per week.

VAT registration threshold to remain at £85,000

The Chancellor confirmed that the threshold for VAT registration will remain at £85,000 worth of VATable sales until 1st April 2026.

Employment Allowance to remain at £5,000

The Employment Allowance will remain at £5,000 indefinitely.

Corporation Tax rate to remain at 19% for smallest companies

From 1st April 2023:

- companies that make a taxable profit of £50,000 or less per year will continue to pay Corporation Tax at the 'small profits rate' of 19%
- companies with taxable profits between £50,001 and £250,000 a year will pay Corporation Tax at a rate of 25% with a 'marginal rate relief' deduction
- companies with taxable profits of £250,001 or more a year will pay Corporation Tax at a rate of 25%



National Minimum Wage thresholds increased

From April 2023, all thresholds for the National Minimum Wage will increase. Meanwhile, the National Living Wage will increase by 9.7% to £10.42 an hour for those aged 23 and over.

Increase in bills capped for the smallest businesses affected by reductions in rate relief

For the smallest businesses affected by reductions or changes in eligibility to small business rate relief or rural rate relief, the increase to their bills will be capped at £600 per year from 1st April 2023.

Research and Development (R&D) changes to be implemented

For expenditure on or after 1st April 2023, the Research and Development Expenditure Credit (RDEC) rate will increase from 13% to 20%. The small and medium-sized enterprises (SME) additional deduction will decrease from 130% to 86%, and the SME credit rate will decrease from 14.5% to 10%.

Personal tax and National Insurance changes

Additional rate of tax threshold reduced

The threshold for the additional rate of tax will be reduced from £150,000 to £125,140 from April 2023.

Changes to this and other Income Tax thresholds for non-savings and non-dividend income currently apply to England and Northern Ireland only. The Scottish government has yet to announce changes to Income Tax rates or thresholds. The Welsh government has the power to vary Income Tax rates but has never yet done so.

All other changes, including changes to the thresholds where they apply to savings or dividend income, apply UK-wide.



All other Income Tax and National Insurance thresholds frozen until April 2028

The existing thresholds for all rates of Income Tax and National Insurance will be frozen until April 2028, including the Personal Allowance.

Dividend allowance cut

In April 2023 the dividend 0% tax allowance will be cut from £2,000 to £1,000. In April 2024, it will be reduced further to £500.

Changes to the Annual Exempt Amount for Capital Gains Tax

The Annual Exempt Amount for Capital Gains Tax will be reduced from £12,300 to £6,000 from April 2023. In April 2024, it will be reduced further to £3,000.

Electric cars will no longer be exempt from Vehicle Excise Duty

From April 2025, electric cars will cease to be exempt from Vehicle Excise Duty.

To learn more about the changes announced in the Autumn Statement, you can read the full report on the government's website.