

28 OCTOBER 2026 | OFFICIAL BUDGET SUMMARY

Headline Income Tax, National Insurance and VAT rates are unchanged. Key announced measures and effective dates are summarised below.

INDIVIDUALS

Savings income tax rates rise to 24%, 44% and 49% from 6 April 2027.

CASH ISA: The £20,000 annual cash limit remains. The previous proposal to reduce it to £12,000 has been **SCRAPPED**.

A £100 energy payment is planned for eligible English households from January 2027.

LANDLORDS & PROPERTY

Property income tax rates rise to 24%, 44% and 49% from 6 April 2027.

High Value Council Tax Surcharge on homes valued at £2m+ from April 2028.

UK property disposal late-filing penalty rules change from 28 October 2026.

SOLE TRADERS

Trading allowance and Self Assessment trading reporting threshold rise from £1,000 to £3,000 on 6 April 2027.

Simplified mileage rate above 10,000 miles increases from 25p to 35p per mile from 6 April 2027.

LIMITED COMPANIES

Corporation Tax remains at 25% main rate and 19% small profits rate.

Main-rate first-year allowance becomes 50% from 1 January 2027; writing-down allowance falls to 12% from April 2027.

Payrolling of specified benefits begins 6 April 2027.

EMPLOYERS & NATIONAL MINIMUM WAGE

From 1 April 2027: National Living Wage (21+) rises to £13.21 per hour; National Minimum Wage (18-20) rises to £11.27 per hour.

Employer National Insurance remains 15%; the secondary threshold is £5,000 per year. Eligible employers may claim Employment Allowance up to £10,500.

Action: review staff pay rates, payroll settings, pension costs and staffing budgets before April 2027.

BUSINESS OWNERS & DIGITAL TAX

Business Asset Disposal Relief lifetime limit falls from £1m to £500,000 for qualifying disposals from 6 April 2027. VAT marketplace liability extension planned from October 2027; mandatory e-invoicing framework planned from April 2029.

Announced measures are subject to legislation. Founders' Relief remains under technical consultation.

Please contact us for advice tailored to your circumstances.