

## BUDGET NOVEMBER 2017 – key points

### With immediate effect: new announcements

- From 22 November 2017, Stamp Duty Land Tax (SDLT) abolished for first time buyers on homes costing up to £300,000; no SDLT on first £300,000 of first time buyer's purchase of homes up to £500,000.
- From 29 November 2017, Marriage Allowance can be claimed to transfer the benefit of 10% of the personal allowance after the transferring spouse has died.
- For tax year 2017/18, unincorporated property business landlords will have the option to use simpler fixed rate deductions for miles travelled by car, motorcycle or goods vehicle for business journeys.
- From 6 April 2017, anti-avoidance measures will tackle 'disguised remuneration' schemes used by closely controlled companies to remunerate employees who have a material interest.

### From 1 January 2018: new announcements

- Indexation allowance, which gives companies relief for the effect of inflation on capital gains, will be frozen at January 2018.
- The rate of the Research and Development Expenditure Credit increases from 11% to 12% with effect from 1 January 2018.

### From April 2018: new announcements

- Tax-free personal allowance rises from £11,500 to £11,850; threshold for 40% tax rises from £45,000 to £46,350. Rates and bands for Scottish taxpayers are still to be confirmed by the Scottish Parliament.
- Employees will not be charged income tax on benefit of charging an electric car at work.
- Supplement of 3% in calculating taxable employee benefit of a diesel company car will increase to 4%.
- Employees with SAYE-related share option schemes will be able to take a 12-month break from saving, up from 6 months at the moment, while on maternity or paternity leave.
- Abolition of Class 2 National Insurance and reform of Class 4 NIC for self-employed deferred by a year to April 2019 in order to assess impact on contributory benefits.
- Freezing of VAT registration threshold at £85,000 for two years instead of normal £2,000 increase, but speculation about possible reduction in threshold was unfounded.
- ISA investment limit for 2018/19 unchanged at £20,000; Junior ISA limit rises in line with inflation to £4,260.
- Lifetime Allowance for tax-advantaged pension funds rises from £1m to £1,030,000.
- Increase in Enterprise Investment Scheme investment limit from £1m to £2m, provided any amount over £1m is invested in one or more knowledge-intensive companies.
- Capital Gains Tax annual exempt amount rises from £11,300 to £11,700.
- Annual Tax on Enveloped Dwellings to rise by 3% in line with inflation.

### From April 2018: confirmation of previous announcements

- 'Making Tax Digital' reforms for income tax reporting will not now be introduced until 2020 at the earliest; VAT-registered traders to operate 'Making Tax Digital for VAT' from April 2019.
- Class 4 National Insurance Contributions increases proposed in March 2017 will not take effect.
- Dividend Allowance, introduced at £5,000 for tax year 2016/17, reduced to £2,000 for 2018/19.

### Other significant announcements

- CGT charge for non-resident taxpayers extended to cover non-residential as well as residential property in the UK with effect from 1 April 2019 (companies) and 6 April 2019 (individuals).
- Allocation of £155m in extra resources to HMRC to fund action on the hidden economy, marketed tax avoidance schemes, enablers of tax fraud, non-compliance and collection of debts 9 months overdue.