

## Autumn Budget 2024 – tax predictions

Ahead of the Chancellor, Rachel Reeves presenting her first Budget on the 30 October 2024, there has been much speculation around possible tax increases from Capital Gains Tax to Employers' National Insurance. In this article, [Saffery](#), the accounting and business advisory firm in High Wycombe, summarises some of the possible changes that have been proposed.

### What to expect in the Budget

Based on Labour's manifesto, some or all of the following could be included in the Budget:

- Charge carried interest of private equity fund managers to income tax instead of capital gains tax (CGT) (see [our response](#) to HM Treasury's call for evidence on this issue),
- Replace the tax regime for non-doms with a foreign income and gains (FIG) regime (see our [policy update on non-UK doms](#), but also note that [HM Treasury is reportedly looking at whether the proposed changes will bring in the money expected](#) if the change results in wealthy non-doms leaving the UK),
- Stop the use of offshore trusts to avoid inheritance tax (IHT),
- Confirmation of the detail on the application of VAT to private school fees (see our [guide to VAT on private school fees](#)),
- Increase the Stamp Duty Land Tax (SDLT) surcharge paid by non-UK residents buying residential property in England or Northern Ireland to 3%,
- Increase the windfall tax on oil and gas producers, and
- Crack down on tax avoidance and evasion.

For more on these manifesto pledges see [tax changes expected from the Labour government](#).

We also know that on Budget day the government will publish a business tax roadmap, which Reeves has said will “offer the certainty that encourages investment and gives business the confidence to grow”. It is to be aimed at companies and will include the commitment to cap corporation tax at 25% for this Parliament and to retain full expensing.

### Budget predictions

Other potential revenue-raising options widely thought to be under consideration by the government are concerned with CGT and pensions.

### Capital gains tax and Autumn Budget 2024

We're expecting the Chancellor to announce changes to the CGT regime.

Possible changes include:

- Reducing or abolishing the £3,000 annual exempt amount,
- Changing CGT reliefs, such as [Business Asset Disposal Relief \(BADR\)](#), holdover relief and rollover relief,
- Removing the tax-free uplift of the cost of assets for CGT purposes on death for assets on which IHT isn't payable, such as where an asset is transferred to a spouse or civil partner or where the assets qualify for IHT Business Property Relief (BPR) or Agricultural Property Relief (APR), and
- Increasing one or more of these current CGT rates:
  - Gains within income tax basic rate band: Residential property\* (18%); carried interest (18%); other chargeable assets (10%).
  - Gains above basic rate band Residential property\* (24%); carried interest (28%); other chargeable assets (20%).

\*Excludes [gains on sale of main home](#), which are subject to CGT exemption.

## **Pensions and Autumn Budget 2024**

In respect of pensions, possible options for the government to raise more money include:

- Introducing a new flat rate of tax relief on pension contributions, at say 20% (the basic rate of income tax) or maybe 25 or 30%,
- Introducing employer National Insurance on pension contributions, and
- Reducing the amount a person can take from their pension pot tax-free.

To find out more about the upcoming Budget including our predictions on IHT and dividends, read our full article at [www.saffery.com](http://www.saffery.com).

## **Expect the unexpected**

As with all Budgets, the Chancellor is likely to have a surprise or two up her sleeve. While we can't predict what these will be, rest assured that once any announcements are made, we will be analysing their effects for our clients.

## **How Saffery can help**

If you want to know more about how any of these possible changes will affect you or your business, and potential ways to limit their impact please contact [Sheryl Davis](#), Partner in Saffery's High Wycombe team.

On Budget day (Wednesday 30 October) we will update our website with summaries of the main tax announcements. Also, on the morning of Thursday 31 October, Saffery will be hosting [a post-budget webinar](#).