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Autumn Statement 2024: The Bits You May Have Missed
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The Chancellor delivered her Budget last week and in all, her policy announcements ran to a total of 168 pages. No doubt then that certain details only become clear only once the dust has settled. Below are six announcements which may have been missed; we are drawing your attention to them here because they may well affect you.

1. Double Cab Pick-up

From April 2025, the tax treatment for double cab pick-up's (DCPU) is changing such that a DCPU with a payload of one tonne or more, will be treated as a car for the purposes of capital allowances, benefits in kind, and some deductions from business profits.

The existing capital allowances treatment will apply to those who purchase DCPUs before April 2025. Transitional benefit in kind arrangements will apply for employers that have purchased, leased, or ordered a DCPU before 6 April 2025. They will be able to use the previous treatment, until the earlier of disposal, lease expiry, or 5 April 2029.

2. Company Car Tax

The budget included an announcement detailing company car tax bands all the way to 2030 when previously we only knew about planned changes to April 2028. Importantly this allows business more certainty when planning.

However, the announcement included some quite 'steep' rises is in the Benefit in Kind (BIK) rates. Zero-emission cars will now get a 2% increase for 2028/29 and 2029/30 meaning the eventual BIK rate ends up at 9%. Rates for other vehicles will rise by 1% each year from 2028/29 and vehicles with a CO_2 emission rate of 1-50 g/Km (usually plug-in hybrids) will move to a flat 18% rate where currently the BIK rate is based on the 'electric range' of the battery.

3. Making Tax Digital for Income Tax

The government's Making Tax Digital (MTD) initiative is well underway, and the next step is that MTD will be introduced for income tax from April 2026.

MTD for income tax will mean that all businesses will have to keep digital records and submit quarterly summaries of their business income and expenses to HMRC using MTD-compliant software. This is going to apply to those individuals who have a combined income (sole trader and rental income) of more than £50,000. However, the Chancellor announced in her budget that this threshold will be reduced to £30,000 from April 2027 and then reduced further to £20,000 by the end of this parliament.

4. Sector-Specific Business Rates Relief

Retail, hospitality, and leisure businesses currently receive a 75% discount when it comes to Business Rates, The Chancellor announced that this will continue, although the discount will reduce to 40%, capped at £110,000 per year. This will be effective from April 2025.

6. Payroll Changes

The big announcement in the budget related to Employers' National Insurance as previously advised. However, the Government didn't just increase the rate from 13.8% to 15% they also increased the threshold when this becomes payable; this will now be reduced from £9,100 to £5,000. Therefore, any employees paid a salary above £5,000 now need to be included in the Payroll Scheme. You should be aware that that the threshold for gaining credit towards the State Pension will remain at £6,396.

The 15% also applies to Benefits in Kind provided to employees; a finer detail missed by most of the press.

The six items above are policy areas that didn't get much attention at the time; hence we are drawing your attention to them here. Two policy areas where change was expected were left untouched and we thought we should highlight them for you too.

End of the Stamp Duty Holiday

The Budget did not mention the current first-time buyer holiday which suggests that stamp duty will revert to the old thresholds of £125,000 for all buyers, and £300,000 for first-time buyers from March 2025. It currently applies to all homes over £250,000, with first-time buyers only paying stamp duty on purchases over £425,000.

High Income Child Benefit Charge

The government announced that it will not reform the High-Income Child Benefit Charge (HICBC) as planned by the previous government. From April 2026, the HICBC was going to be based on a household's total income as opposed to the current system where the income of each individual is assessed. At present, a family where both parents earn £60,000 will keep the child benefit in full whilst a family who has just one parent earning £80,000 or more will lose the child benefit in full.

CONTACT US

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