Harris Lacey and Swain

CHARTERED ACCOUNTANTS

THE BUDGET 2025

I AM A WORKING PERSON

While income tax rates on earnings from a job or self-employment were not increased, income tax thresholds will now remain unchanged until 2031. Future pay increases will see a greater proportion of income brought into tax, achieving the same result as a tax rate rise.

Workers on either the national minimum wage or national living wage will see increases in their pay from April 2026 (page 10).

The rates of National Insurance Contributions (NIC) paid by employees and employers remain unchanged.

Employees paying into a workplace pension scheme under the salary sacrifice method will see annual contributions above £2,000 a year subject to NIC from April 2029 (page 10).

Many working people are also business owners, property owners and savers. See the relevant sections for tax increases that will apply.

I AM A BUSINESS OWNER

If you have employees, increases to both the national minimum wage and national living wage (page 10) will have a cost impact. Both employer and employee NIC will be payable on salary sacrifice pension contributions above £2,000 per year from April 2029 (page 10). Both of these measures could have further implications on staffing and recruitment decisions for your business.

From January 2026, investing in equipment will benefit from an increase in first year capital allowances for most main rate assets, where other allowances are not available. This is offset to some extent by a reduction in the main writing down allowance rate from 18% to 14% (page 14).

For companies, corporation tax rates and thresholds remain unchanged (page 17).

If you are a company shareholder, from April 2026 dividends drawn from the company will be subject to higher rates of tax. The basic and higher rates of dividend tax will rise by 2% to 10.75% and 35.75% respectively (page 7). Following these changes, ensuring you are still on the most tax-efficient route to extract profit from the company will be important.

I AM A PROPERTY OWNER

If you own a rental property personally, profits earned will be subject to higher property income tax rates, with a 2% rise across the basic, higher and additional rate bands from April 2027 (page 7).

If you sell a rental property, the rates of capital gains tax remain unchanged (page 7).

The widely anticipated introduction of a 'mansion tax' was announced with owners of properties worth more than £2 million subject to a minimum additional annual council tax surcharge of £2,500 from April 2028 (page 16).

I AM A SAVER

The overall annual Individual Savings Account (ISA) limit remains at £20,000 per year, however changes are on the way from April 2027 with those under 65 limited as to the amount that can be invested in a cash ISA (page 8).

Savings income will be subject to higher rates of tax with a 2% increase in the basic, higher and additional rates from April 2027 (page 7).

MY SITUATION IS DIFFERENT…

The UK tax rules are wide-reaching and affect individuals and entities in different ways. The above are just some simple examples. Please keep reading to see all the key Budget headlines and our commentary thereon. As always, please do reach out if we can help in providing personalised advice to you.

On 26 November 2025, Chancellor Rachel Reeves presented her second Budget to Parliament. After the tax-raising budget of 2024, it had been hoped by the government that widely applicable tax increases would not be required again in 2025. However, with economic pressures continuing to apply, tax increases have been announced and these will affect the vast majority of households.

Headlines included:

- National Insurance (NI) and income tax thresholds were frozen for an extra three years beyond 2028. This will bring more people into higher rates of tax over time.
- Dividends income will see a 2 percentage point rise to the ordinary and upper tax rates from April 2026.
- Savings and property income tax rates will be increased by 2 percentage points from April 2027.
- From April 2027, the cash Individual Savings Accounts (ISA) savings limit will be capped at £12,000 a year for those aged under 65.
- A council tax surcharge is being introduced for properties worth more than £2 million.
- Any unused portion of the £1 million agricultural property relief and business property relief allowance will be transferable to spouses and civil partners from April 2026.
- A new excise duty will become payable on electric cars at 3p a mile for electric cars and 1.5p a mile for hybrid cars.

Further Budget announcements will be made on 13 January and 20 January 2026 in relation to taxes unique to Scotland and Wales respectively.

TAXES ON INCOME - INDIVIDUALS

Your personal allowance

Your tax-free personal allowance will remain at £12,570 in 2026/27. The personal allowance is partially withdrawn if your income is over £100,000 and then fully withdrawn if your income is over £125,140.

Income tax rates and allowances

For 2026/27, the income tax thresholds are unchanged from 2025/26 and are set to remain static until 2030/31. The only rates that will increase from 6 April 2026 are the basic and higher tax rates on dividend income.

After your tax-free 'personal allowance' has been deducted, your remaining income will be taxed in bands in 2026/27 as follows:

		'Other income'	Savings income	Dividend income	
		2026/27 (and 2025/26)		2026/27	2025/26
Basic rate	£1 - £37,700	20%	20%	10.75%	8.75%
Higher rate	£37,701 - £125,140	40%	40%	35.75%	33.75%
Additional rate	Over £125,140	45%	45%	39.35%	39.35%

'Other income' means income other than from savings or dividends. This includes salaries, bonuses, profits made by a sole trader or a partner in a business, rental income, pension income and various other income types.

Different rates of income tax apply to your 'other income' if you are classed as a 'Scottish taxpayer'. The 2026/27 rates have not been released at the time this document was created.

From 6 April 2027, the government will create separate income tax rates for property income and will increase the income tax rates on savings income as follows:

		2027/28	
		Property income*	Savings income
Basic rate	£1 - £37,700	22%	22%
Higher rate	£37,701 - £125,140	42%	42%
Additional rate	Over £125,140	47%	47%

*The new property income tax rates will apply to taxpayers in England and Northern Ireland. The Scottish and Welsh Governments will have powers to set property tax rates in those jurisdictions.

You will continue to be taxed at 0% within your personal savings allowance and dividend allowance. The savings allowance continues to be set at £1,000 for a basic rate taxpayer, £500 for a higher rate taxpayer and not offered to additional rate taxpayers. The dividend allowance continues to be set at £500.

Self-employed National Insurance Contributions (NICs)

Self-employed individuals pay 'Class 4' NICs in addition to their income tax liability. The Class 4 NIC rates and thresholds for 2026/27 remain broadly similar to 2025/26 and, in particular, are 6% on profits between £12,570 and £50,270 and 2% on profits thereafter.

As with the income tax thresholds, the above Class 4 NIC thresholds will remain frozen until 2030/31.

Voluntary National Insurance Contributions (NICs)

From 6 April 2026, the Class 2 NICs rate will be increased from £3.50 to £3.65 per week and the Class 3 NICs rate will be increased from £17.75 to £18.40 per week.

The government will no longer allow people living abroad to pay voluntary Class 2 NICs. Also, the minimum time you need to have lived or paid contributions in the UK to make voluntary payments from overseas will go up from 3 years to 10 years.

Class 1 NICs for employees and employers are included in the Employment Taxes section.

Individual Savings Accounts (ISAs)

Income received within an ISA product is exempt from income tax. This includes both cash and stocks and shares ISAs. The limit on how much you can save into ISAs in 2026/27 remains at £20,000 overall.

From 6 April 2027, the annual ISA cash limit will be set at £12,000, within the overall annual ISA limit of £20,000. Savers over the age of 65 will continue to be able to save up to £20,000 in a cash ISA each year.

Tax relief for pension contributions

Income tax relief is generally given in full for qualifying pension contributions, meaning that they are an important component in many tax planning exercises.

Child Benefit and the High-Income Child Benefit Charge (HICBC)

You may have to pay the HICBC if your income exceeds £60,000 and child benefit is being paid in relation to a child that lives with you, regardless of whether you are a parent of that child. If you are living with another person in a marriage, civil partnership or long-term relationship, you will only be liable for the HICBC if you are the higher earner of the two of you.

For 2026/27, the HICBC continues to be calculated at 1% of the child benefit received for every £200 of income above £60,000. This means that child benefit is fully clawed back where income exceeds £80,000.

Qualifying Care Relief

The amount of income tax relief that foster carers and shared lives carers can claim will go up by 3.8% in April 2026. This is in line with September 2025 inflation.

Penalty reform: Updates to the penalty regime for self assessment

The government will apply a new penalty regime for late submission and late payment to all self assessment taxpayers from 6 April 2027. Under the new regime, penalties for late filing are more lenient but those for late payment are more punitive and are set to increase.

Penalties due for late payment of income tax self assessment will be increased from April 2027.

Venture Capital Trust (VCT)

From 6 April 2026, the VCT income tax relief will decrease from 30% to 20%.

DIGITAL RECORD KEEPING AND QUARTERLY REPORTING REQUIREMENTS FOR TRADERS AND LANDLORDS ("MTD")

Updates are continuing to come through on HMRC's 'Making Tax Digital for Income Tax' ('MTD for IT') initiative. It will initially apply from 6 April 2026 for sole traders and property landlords who generated gross trade and rental income ('qualifying income') of more than £50,000 in the 2024/25 tax year.

The MTD for IT rules are mandatory and, if affected, you will be required to use 'MTD-compatible software' to maintain digital records and send a quarterly summary of your business and/or property income and expenses to HMRC, along with your end-of-year tax return.

In a welcome announcement, the government said that for individuals mandated into MTD for IT in 2026/27, penalties for late quarterly summaries will not be issued.

MINIMUM WAGE RATES

The minimum hourly rates that employers must pay their employees go up from 1 April 2026. Employers must pay their employees at least these minimum rates to avoid penalties, back payments and other regulatory action.

If you have employees paid at or just above these levels, you need to ensure that birthdays, full working hours and deductions are properly captured and dealt with. Please contact us for any support with business payrolls, including the operation of minimum wage levels.

	1 April 2026 – 31 March 2027	**1 April 2025 – 31 March 2026**
National Living Wage (for employees aged 21 and over)	£12.71	£12.21
National Minimum Wage (for employees aged 18-20)	£10.85	£10.00
National Minimum Wage (for employees aged 16-17 and apprentices)	£8.00	£7.55

EMPLOYMENT TAXES

National Insurance Contributions (NICs)

NICs deducted from employee wages remain at the same levels as we head into 2026/27. This means that, for employees, no NICs are deducted on the first £12,570 of pay, then a rate of 8% applies on earnings up to £50,270, with a rate of 2% applied thereafter.

For employers, the rate of NICs will remain at 15% after the first £5,000* paid to each employee. The available employment allowance to offset this cost remains at £10,500 for eligible claimants.

*A higher threshold of £50,270 applies for employees who are under 21 and apprentices under 25. Other variations can also apply.

Salary sacrifice for pension contributions

From 6 April 2029, the amount that is exempt from NICs will be capped at £2,000 a year for employee contributions made via salary sacrifice. Any employee contributions above this amount made under salary sacrifice will be subject to employer and employee NICs. Employees can still contribute as much as they want to their pensions, including via salary sacrifice, and these contributions will still be exempt from income tax (subject to the usual limits).

Removal of tax relief on non-reimbursed homeworking expenses

From 6 April 2026, employees will no longer be able to claim tax relief on additional household expenses incurred in employment duties that are not reimbursed by the employer. To date, a claim at the rate of £6 per week has been allowed. Employers can still reimburse employees for these costs where eligible without deducting income tax and NICs.

Enterprise Management Incentive (EMI) company eligibility expansion

The following limits will be increased for EMI contracts granted on or after 6 April 2026:

- Company grant options will be increased from £3 million to £6 million.
- Gross assets will be increased from £30 million to £120 million.
- The number of employees will be increased from 250 to 500.
- The maximum holding period will increase from 10 to 15 years.

These limits can also apply retrospectively to existing EMI contracts which have not already expired or been exercised.

The EMI notification requirement will also be removed from April 2027.

Expanding workplace benefits relief

From 6 April 2026, the income tax and national insurance exemption for employer-provided benefits will be extended to cover reimbursements for eye tests, home working equipment, and flu vaccinations.

Company car tax

Bringing employee car ownership schemes (ECOS) into scope of the benefit in kind (BIK) rules has been delayed from 6 April 2026 to 6 April 2030 to allow more time for the sector to prepare for and adapt to this change in treatment. Transitional arrangements will be in place until April 2031.

There is a temporary BIK easement for plug-in hybrid electric vehicles (PHEVs) from 1 January 2025 to 5 April 2028. This easement prevents the tax charge increasing significantly due to new emissions standards. During the easement period, the CO2 emission figure will be deemed to be a nominal figure for the purpose of calculating the BIK. Transitional arrangements will apply to certain PHEVs until 5 April 2031.

The BIK charge for vans as well as for car and van fuel will rise in line with inflation from April 2026.

Mandatory payrolling of benefits

Draft interim guidance and legislation has been issued to aid preparation for reporting BIK in real time through payroll software from April 2027. This is an extension to the original deadline of April 2026.

Employers are encouraged to prepare as early as possible to avoid disruption and minimise cost. HMRC is urging everyone not to underestimate the time it will take to ensure payroll processes are sufficiently robust.

PAYE changes for umbrella companies

Umbrella companies are employment intermediaries that employ workers on behalf of agencies and end clients.

From 6 April 2026, employment agencies (or end clients where there is no agency in the supply chain) will be jointly and severally liable for any amount required to be accounted for under PAYE.

Loan charge review

Disguised remuneration schemes are tax avoidance and have frequently been considered by the courts. Legislation was introduced to tackle the problem but settlement of claims has been difficult and protracted.

An independent review has recommended the government introduce a settlement opportunity to encourage those who have not settled so far, to settle their loan charge liabilities with HMRC on concessionary terms.

Under the terms of the settlement opportunity, everyone who comes forward will see a £5,000 reduction in their outstanding liabilities. This will substantially reduce the amount they have to pay. Where people decide to settle, most individuals could see reductions of at least 50% in their outstanding loan charge liabilities and an estimated 30% of individuals may be able to settle without paying anything.

This measure will have retrospective effect from 5 April 2019.

CAPITAL GAINS TAX (CGT)

As we head into 2026/27, it should be remembered that, for most sales of capital assets, CGT will apply at 18% for basic rate taxpayers and 24% otherwise. The rate of CGT for business asset disposal relief (BADR) purposes will increase from 14% to 18% from 6 April 2026.

Particularly in relation to business disposals, timing is important, so please do talk to us about optimising your tax position prior to any capital disposal.

There were a couple of significant changes for CGT in the Budget on 26 November.

Employee Ownership Trusts

With immediate effect, the CGT relief on disposals into an Employee Ownership Trust has been halved from 100% to 50%. This means 50% of the gain will be treated as chargeable. The remaining 50% of the gain will not be chargeable at the time of the disposal but will continue to be held over to come into charge on any future disposal of the shares by the trustees.

A further sting in the tail is the chargeable element of the gain will be excluded for BADR and investors' relief (IR) purposes so tax will be payable at the full rate.

Incorporation relief

For transfers of a business on or after 6 April 2026, a claim for incorporation relief will be required.

Incorporation relief applies to individuals, partners in a partnership and trustees where a business is transferred to a company in exchange for shares.

Claims for the relief have previously been automatic with the ability to elect out. From 6 April 2026, claimants must include a claim in their self assessment tax return for the tax year of transfer. They must provide brief details of the transaction, the relevant tax computations and the type of business transferred.

INHERITANCE TAX (IHT)

IHT can apply to certain lifetime transfers/ gifts and also on the value of an individual's estate at the time of death. The IHT nil rate band is £325,000, with an additional £175,000 'residence nil rate band' available in some cases for leaving the family home to direct descendants. For any value remaining after the nil rate bands and IHT reliefs and exemptions, the maximum rate of IHT remains at 40%.

The IHT nil rate band remains frozen at £325,000 for a further year until 2031. The residence nil rate band will also remain frozen at £175,000 until 2031.

The residence nil rate band continues to be withdrawn where an estate has a net value over £2 million. The residence nil rate band is tapered away at a rate of £1 for every £2 above £2 million.

Where there has been no restriction on the residence nil rate band, a married couple will continue to have a combined IHT allowance of £1 million.

IHT reliefs for business owners and farmers

The government is continuing with its plans to reform IHT agricultural property relief (APR) and business property relief (BPR) from 6 April 2026. Relief of up to 100% of the qualifying asset value is currently available, but from 6 April 2026, this 100% relief will be capped at up to £1 million of combined agricultural and business property. Thereafter, the available relief reduces to 50%.

From 6 April 2026, any unused APR or BPR allowance will be transferable to the surviving spouse or civil partner. This means that together, a couple may be able to pass on up to £3 million free of inheritance tax where their estates include agricultural and/or business property.

Also, from 6 April 2026, the BPR available on AIM shares and similar investments will simply reduce from 100% to 50%. The £1 million BPR allowance does not apply to AIM shares.

Care is needed when planning for these changes, as transitional rules mean that even gifting before 6 April 2026 will not necessarily achieve the desired effect. Please do talk to us about how best to organise your estate with business or agricultural assets.

Paying tax by instalments

The inclusion of more agricultural and business property within the IHT net inevitably means more tax is payable. From April 2026, the ability to pay IHT in interest-free instalments over 10 years will be extended to include all property which is eligible for APR and BPR.

Pension funds

From April 2027, the value of unused pension funds will be included in an individual's estate at death, regardless of any efforts by individuals to write their policy into trust. This is to counter what the government perceived as an increasing trend of using pensions as a method for tax planning rather than for simply funding an individual's retirement.

CAPITAL ALLOWANCES

For 2026/27, the annual investment allowance (AIA) will remain at £1 million and the full expensing regime will be available to companies.

The rate of writing down allowance (WDA) applicable to qualifying capital expenditure in the main rate pool will drop from 18% to 14% on 1 April 2026 for companies and 6 April 2026 for unincorporated businesses. Businesses with an accounting period that spans the date of change must use a hybrid rate. There are no plans to alter the 6% rate of WDA for qualifying expenditure in the special rate pool.

For qualifying expenditure incurred on or after 1 January 2026, a new 40% first year allowance (FYA) will be available to companies and unincorporated businesses. The new FYA can be used against assets used for leasing (overseas leasing is excluded) but not for cars or second hand assets. It will mainly be of benefit where the AIA or other FYAs are unavailable.

FYAs giving 100% relief for qualifying expenditure on electric vehicles and charging points were due to end in April 2026 but are now extended to April 2027.

	2026/27	**2025/26**
Plant and machinery		
Writing down allowance – main rate	14%	18%
Writing down allowance – special rate	6%	6%
Annual investment allowance (AIA)*	£1 million	£1 million
AIA rate for eligible purchases*	100%	100%
First year allowance (FYA) rate **for qualifying expenditure incurred on or after 1 January 2026**	40%	40%
First year allowance (FYA) rate for electric vehicles and charging points**	100%	100%
'Full expensing' FYA – main rate***	100%	100%
'Full expensing' FYA – special rate***	50%	50%
Structures and buildings		
Structures and buildings allowance~	3%	3%

* The AIA can be used for most equipment purchased by a business, including vans and commercial vehicles but not cars. In situations where there is a corporate group and/or a person owns multiple businesses, the AIA may need to be shared between those businesses. Furthermore, some businesses, including partnerships with a corporate partner, are not entitled to the AIA at all.

** 100% FYAs are available for brand-new electric cars and electric vehicle charging points, as well as some other less common asset types.

Capital allowances can be claimed on cars that are not new or electric, but at the main or special writing down allowance rates, depending on whether the car has carbon dioxide emissions of up to or more than 50g/km respectively.

*** For limited companies and a small number of other business structures, a practice of '**full expensing**' is permitted. This is effectively an unlimited 100% FYA on almost any brand new plant and machinery acquired (excluding cars and assets used for leasing), although a lower 50% FYA is in operation for 'special rate' items (broadly fixtures and systems that are an integral part of a building). Full expensing is useful for companies that have no available AIA.

~ The structures and buildings allowance is only applicable for costs on construction contracts signed on or after 29 October 2018 and is more suitable for some businesses than others.

Business rates

As announced in the 2024 Budget, two new lower multipliers for eligible retail, hospitality and leisure (RHL) properties with rateable values (RV) below £500,000 will be introduced from 1 April 2026. Each of the new multipliers is 5p lower than the standard multiplier for a business property of equivalent rateable value.

The new multipliers will replace the 40% relief given to RHL businesses in 2025/26 and will be funded by a high-value multiplier on properties that have a rateable value above £500,000.

Legislation and local authority guidance has already been published confirming the eligibility criteria for RHL properties.

Transitional reliefs may be available for eligible properties that cap bill increases due to increasing rateable values at the 2026 business rates revaluation or where the increase is due to a loss of Small Business Rates Relief, Rural Rates Relief, or RHL relief. In addition, if your business is currently receiving the 2023 Supporting Small Business Relief Scheme you will be eligible for the 2026 Supporting Small Business Relief Scheme until 31 March 2027.

Electronic invoicing

The government plans to make electronic invoicing mandatory for all VAT invoices starting in 2029. A detailed implementation roadmap is expected to be published next year at Budget 2026.

The possibility of introducing real time reporting (RTR) is also being considered. This is where invoice information is automatically shared with HMRC, perhaps as soon as it is sent to a customer. However, the government has confirmed that this will not start in 2029. RTR would only be introduced once electronic invoicing is widely in use and well established.

Local visitor levy in England

The government has opened a consultation on providing Mayors, and potentially other local leaders, in England with the power to introduce a local visitor levy. The levy would be intended for supporting local leaders to drive economic growth in their areas and make those areas more desirable to visit, live, and do business in. In Scotland and Wales, all local authorities already have the legal power to apply a visitor levy.

In areas that choose to adopt it, the visitor levy would apply to short-term overnight stays in commercially let visitor accommodation.

There are no changes to worry about yet, but if you provide visitor accommodation it would be worth watching the outcome of the consultation.

VAT

From 1 April 2026, the VAT registration and deregistration thresholds will remain at £90,000 and £88,000 respectively. There have been no changes to the rates of VAT and the standard rate continues to be set at 20%.

LAND AND PROPERTY

Besides the new property income tax rates detailed in the income tax section, another change affecting property is the introduction of a high value council tax surcharge, otherwise known as the 'mansion tax'. The surcharge will be in addition to existing council tax and will be applied to properties with a value over £2 million.

The mansion tax will range from £2,500 to £7,500 depending on the property's value. Properties will be valued before the introduction of the tax. The mansion tax is applied to the homeowner and not the council tax payer.

Both of these measures will mean an increase in costs for landlords, and therefore likely an increase in rents for tenants.

If you are a landlord or a tenant and are concerned about either of these increases, please do contact us to discuss your options.

STAMP DUTY LAND TAX

England and Northern Ireland

If you are planning to purchase residential property, the good news is that there were no changes to stamp duty land tax (SDLT) announced in the Autumn Budget. The main threshold above which you start to pay SDLT remains at £125,000 and you will still pay the higher rate of SDLT on additional dwellings you buy such as second homes.

If you are a first-time buyer, you are still eligible for additional relief from SDLT on your property purchase. No SDLT is payable up to £300,000 for first-time buyers, with 5% SDLT payable on properties between £300,000 and £500,000.

Scotland and Wales

Property purchasers in Scotland and Wales do not pay SDLT. Rather, if you buy a property in Scotland, you pay land and buildings transaction tax, and in Wales, you pay land transaction tax. These Scottish and Welsh rates remain unchanged.

COMPANIES

Rates from 1 April 2026

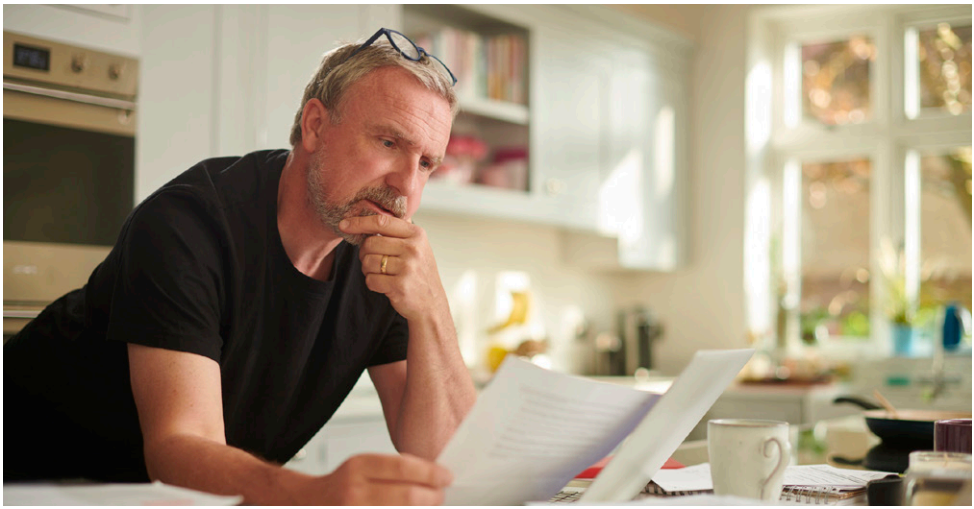
There are no changes to corporation tax rates and thresholds for the financial year commencing 1 April 2026. These include the main rate of 25% for companies with profits over £250,000 and a small profits rate of 19% available to companies with profits below £50,000; a marginal rate of 26.5% applies to profits between the limits. If a company is part of a group or has associated companies, those profit limits are divided between them.

Enterprise Investment Scheme (EIS) and Venture Capital Trusts (VCT)

From 6 April 2026, significant increases to the limits for companies to be eligible for EIS and VCT schemes are proposed as follows:

- The gross assets test will increase from £15 million to £30 million immediately before share issue and from £16 million to £35 million immediately after the issue.
- The annual investment limit for companies will be increased from £5 million to £10 million (from £10 million to £20 million for Knowledge-Intensive Companies (KICs)).
- The lifetime investment limit will increase from £12 million to £24 million (from £20 million to £40 million for KICs).

At the same time, the rate of income tax relief available to an individual investor in a VCT will be reduced from 30% to 20%; this change does not apply to the EIS.



DEALING WITH HMRC

Penalties

Late filing penalties for corporation tax returns are set to be doubled for returns where the filing date is on or after 1 April 2026. Filing a corporation tax return late will now result in a £200 penalty, which will increase to £400 if the return is more than 3 months late. Where the deadline is repeatedly missed for three consecutive returns, the penalty increases to £1,000, or £2,000 if it's more than 3 months late.

The government will also be consulting soon on other changes to HMRC's penalty system, aiming to encourage people to fix mistakes as quickly as possible while coming down harder on anyone who deliberately tries to evade tax.

Digital communications

From spring 2026, if you use HMRC's digital services you will start to receive digital letters by default instead of letters by post. It will still be possible to opt out if digital is not for you.

Reporting serious tax evasion

HMRC are introducing a Strengthened Reward System for individuals who make reports that help HMRC collect at least £1.5 million in unpaid tax. Not everyone qualifies and HMRC do not guarantee the reward, however the individual reporting could get between 15% and 30% of the tax due.

UK resident cryptoasset users

From spring 2026, if you are a UK resident cryptoasset user, any UK based cryptoasset service providers you use will have to report tax-relevant information about you to HMRC. This is already the case for non-UK resident cryptoasset users and is similar to how banks already report on traditional bank accounts. This change is part of ongoing international cooperation between tax authorities to monitor cryptoasset ownership.

Tax debt

HMRC is continuing to explore ways to reduce unpaid tax and speed up payments. This includes looking at whether businesses should be required to pay PAYE and VAT by Direct Debit. They also plan to hire more staff to focus on debt recovery and to use debt collection agencies more often to deal with older or harder-to-recover debts.

IN CONCLUSION

With just a few months until we reach the 2026/27 tax year, we know that many of our clients and contacts will be looking at how this Budget will impact their affairs. While there was much talk about growth, tackling inflation and cutting the cost of living, everyone has been asked to contribute. Freezing many income tax rates and thresholds for a further three years and increasing taxes on savings, dividends and property income will mean many end up paying more over the coming years. It may be necessary to re-examine your business and personal plans for 2026 and beyond to be as tax-efficient as possible. Remember, we are here to support you to ensure your business and personal success. Please do get in touch if there is anything that you would like to discuss.

Disclaimer: This newsletter covers the key news headlines from Budget 2025. The authors take great care in its production, but it is not exhaustive and should not be read as a full fiscal summary. The content displayed is correct as of 26 November 2025. We cannot take responsibility for any action taken or not taken from this document alone. Please contact us for personalised advice.

Harris Lacey and Swain

CHARTERED ACCOUNTANTS

Harris Lacey and Swain
Chartered Accountants

Suite 1, The Riverside Building,
Livingstone Road, Hessle HU13 0DZ

01482 646440
hlas@hlas.co.uk
www.hlas.co.uk