



Spring Update 2026

Spring Statement



Slower growth this year –
1.1% (was 1.3%)

Unemployment peaking later
this year (5.3%)

Falling inflation – 2% by 2027
(3.4% in 2025, 2.3% in 2026)

Err... That was it

But effect of war on oil price?

So what is changing?

Dividend tax

- Currently 8.75% - 33.75% - 39.35%
- From 05.04.26: 10.75% - 35.75% - 39.35%

Tax on Interest

- Currently 20% - 40% - 45%
- From 05.04.27: 22% - 42% - 47%

Tax on Property Income

- Same increases as tax on interest
- But: Relief for interest paid will be at 22%

National Minimum Wage



NLW: 4.1% increase from
£12.21 to £12.71

Applies to 21yrs & older
18-20 +8.5%: £10.00 to
£10.85

16-17 +6.0%: £7.55 to
£8.00

Aiming to close gap for
younger workers

Motoring taxes

Increases coming

From 06.04.26

- Extra 1% BIK on all company cars
- RFL on electric cars

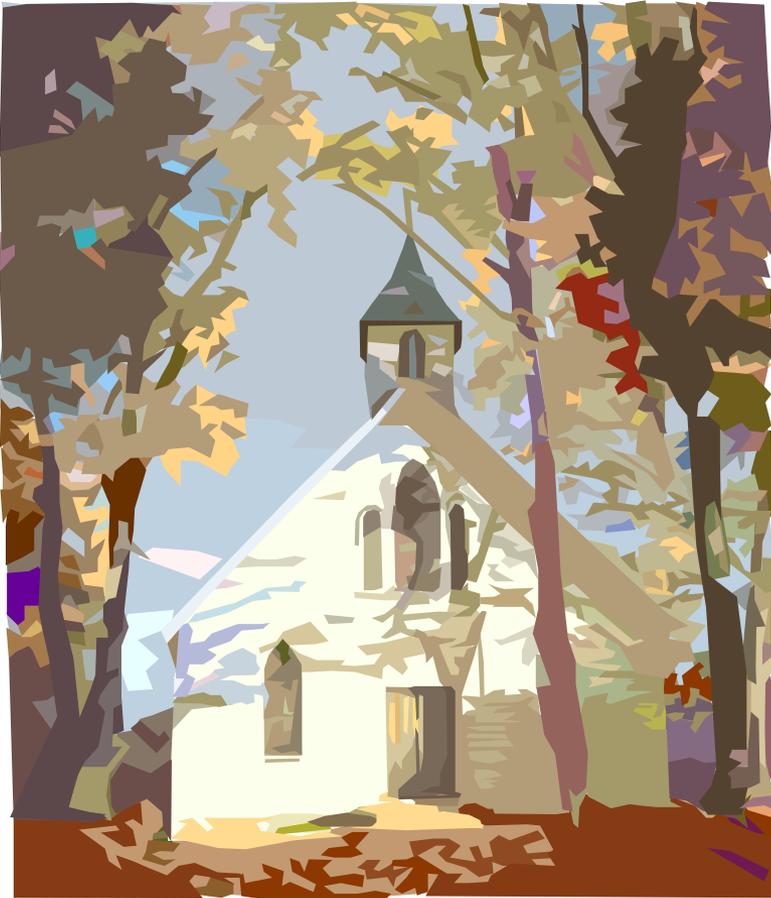
5p Fuel duty freeze lifted from 01.09.26 in stages

New Electric Vehicle Excise Duty from Apr 28 – mileage basis.

Measurement???



Inheritance Tax



- Allowances freeze extended to 05.04.31
- From 06.04.26: 100% APR & BPR to £2.5m
- Thereafter 50% relief
- Unused £2.5m allowance transferable to surviving spouse
- IHT on unused pension pots from 06.04.27

“Mansion” Tax



Council tax surcharges
on £2m+ properties from
06.04.28

£2,500 up to £2.5m

£3,500 up to £3.5m

£5,000 up to £5m

£7,500 over £5m

Cliff edge tax!

Lots of work for valuers!

And other measures...

Pension salary sacrifices capped at £2,000p.a. from 06.04.29

But no restriction on employer-only contributions...hopefully

ISA changes from 06.04.27:

£20k limit maintained but only £12k in cash ISAs for under 65s

Business rate reductions for hospitality/retail/leisure sectors have fallen, and will fall further



Coming very soon...



- Making tax digital – Quarterly reporting
- Self employed traders from 06.04.26 (T/O > £50,000)
- Rental businesses from 06.04.26 (T/O > £50,000)
- Thresholds to £30,000 from 06.04.27, and £20,000 from 06.04.28.
- Partnerships 06.04.27??
- And Companies - unlikely

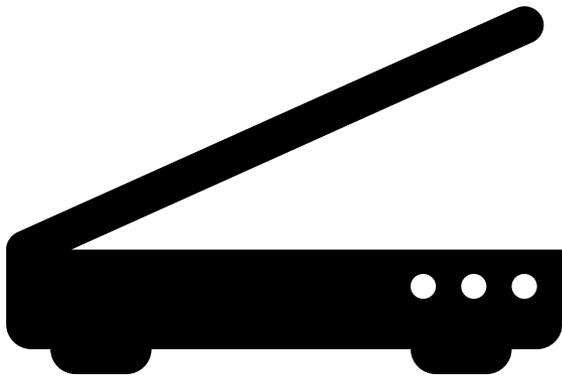
MTD – Who is first?

- Sole Traders and
- Rental “businesses”

Must add turnover together to determine eligibility

Rental turnover in joint names is split between owners to determine eligibility

2024/25 tax returns will be used to determine eligibility – HMRC have or are contacting those over initial threshold



MTD – What

- Quarterly reporting
- Combine income and expenditure for all businesses
- Digitally linked from records to HMRC
- Simplification for retail businesses allowed
- Following SA requirements
- Simple “three line accounts” if turnover below £90,000
- Annual (self assessment) returns as now

MTD - Exemptions



- Turnover below £20,000
- Charities (unless trading)
- Digitally excluded – e.g. no internet coverage
- Digitally ignorant – will need to claim exemption on grounds of age, disability etc.
- Religious grounds – e.g. the Pilgrim's Brethren

MTD - Other points



VAT registered already? This should not be onerous.

VAT registered businesses – coterminous quarter dates vital from 01.04.26; otherwise 9 submissions p.a. instead of 5.

If you have software, make sure it is up to date.

If you don't – decide what you are going to do very soon!



Any questions?
Thank you for listening!

David Meredith