



KPMG Comment

“The Chancellor set out a Budget with few surprises, avoiding further complexity.

Increases to R&D tax credit to encourage innovation and investment will be welcomed.

Building on prior years, non-compliance continues to be targeted.”



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Businesses



- No change to plans to reduce corporation tax rate
- Indexation allowance on companies' chargeable gains frozen from 1 January 2018
- Income tax on digital sales royalties payable to low-tax jurisdictions from 2019 alongside a review of corporation tax and the digital economy
- Tax on non-residents' gains on immovable property from April 2019
- R&D Expenditure Credit rate for large companies increased to 12% from 1 January 2018
- Package of measures targeted at improving VAT compliance for online sales
- Consultation on VAT threshold

Employers



- Consultations on employment status and potential extension of IR35 reforms to the private sector
- No benefit-in-kind tax charge for charging electric vehicles at work from 6 April 2018
- Diesel company car tax supplement increased from 3% to 4% from 6 April 2018

Individuals



- No stamp duty land tax on first £300,000 for first-time buyers on houses costing up to £500,000
- Class 2 NIC abolition delayed to 6 April 2019
- EIS relief refocused to higher-risk growth companies and limit doubled from 6 April 2018 for investments in knowledge-intensive businesses
- Consultation on preservation of Entrepreneurs' Relief where holding falls below 5%
- Time limit for assessing offshore non-compliance will be extended to at least 12 years

Key rates



- Corporation tax – 17% from 2020
- No changes to rates of income tax, dividend tax and capital gains tax
- Personal allowance - £11,850 from 2018
- 40% tax rate threshold - £46,350 from 2018
- Capital gains tax annual exempt amount - £11,700 from 2018
- Pensions lifetime savings allowance rises to £1,030,000 from 6 April 2018
- Scottish taxpayers may have different rates and bands

For further information visit: kpmg.com/uk/autumnbudget2017