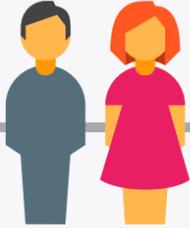




INDIVIDUALS



- The National Living Wage for those over 25 will increase to £8.21 per hour from April 2019. The rates for those under 25 and Apprentices are also increasing – please see <https://www.gov.uk/national-minimum-wage-rates>
- For Income Tax, the Personal Allowance (the amount that you can earn per year without paying any tax) will increase from £11,850 to £12,500 from 6 April 2019. The higher rate (40%) tax threshold will also increase from £46,350 to £50,000.
- Capital Gains Tax is changing for residential properties, where the property was originally lived in by the owner and then later rented out. From April 2020, Lettings Relief is being removed unless the property owner remains living in the property along with the tenant. In addition, the exemption for the final period of ownership is being reduced from 18 months to 9 months.
- The annual exempt amount for Capital Gains Tax will increase to £12,000 from 6 April 2019.
- The Entrepreneurs' Relief rules have largely been left alone (**please see our Entrepreneurs' Relief whitepaper for more details on these rules**). However, the minimum period for which the conditions must be met will be extended from 12 months to 2 years from April 2019.



BUSINESSES

- The VAT registration threshold will remain at its current level of £85,000 until April 2022.
- Business rates are to be cut by 1/3 for businesses with retail properties with rateable values below £51,000. The cut is to last for 2 years from April 2019.
- Capital Allowances are changing - the Annual Investment Allowance will be increased from £200k to £1m for 2 years from 1 January 2019. There will also be a new 2% "structures and buildings allowance" for expenditure on new permanent non-residential structures and buildings (currently no tax allowances are available for buildings). Finally, the rate of allowances for special rate assets will be reduced from 8% to 6% per annum.
- Research & Development (R&D) tax relief will be restricted from 1 April 2020 for small and medium-sized companies, by reference to their PAYE bill. The amount of payable R&D tax credit that a qualifying loss-making company can receive in any tax year will be restricted to three times the company's total PAYE and National Insurance liability for that year, limiting the tax credit to those companies which employ staff in the UK.
- Contractors who operate through their own limited companies may see some tax changes from April 2020, when the off-payroll working rules recently brought in for public companies are extended to the private sector. Large and medium-sized private businesses will be required to assess whether their subcontractors should be treated as employees (and taxed under PAYE), as opposed to the current situation where the responsibility falls on the individual's own limited company.



If you have any questions give Rachel Elvin a call on 01483 802895 or email her on [rachel.elvin@chadsan.com](mailto:rachel.elvin@chadsan.com)



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