The Autumn Budget

Summary of the main taxation and fiscal provisions announced by the Chancellor of the Exchequer on 22 November 2017

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Introduction

On 22 November 2017, the Chancellor of the Exchequer presented the first Autumn Budget since 1996. It outlines the government's plans for taxation as the UK prepares to leave the European Union.

Changes to the Budget Timetable

Since 2011, most tax policy consultation summaries and draft Finance Bill legislation have been published on what is known as 'Legislation day', following the Autumn Statement. From 2018, under the new timetable, this will move to the summer. As now, the date will continue to be announced by written ministerial statement.

An Autumn Budget means tax changes are announced well in advance of the start of the tax year - The single fiscal event and new timetable to bring forward tax changes so they are legislated for before the start of the tax year. Making the transition to the new timetable require adjustments to the normal tax policy making process due to the shorter interval between the two Budgets.

Arrangements will be decided individually for different policies and set out to stakeholders by HMRC. In the normal way, these will where possible provide for consultation on policy proposals and on draft legislation.

Next year will see the first Spring Statement. It will respond to the updated OBR forecast for the economy and the public finances. The Chancellor has said that the government will consider longer-term fiscal challenges and start consultations on how they can be addressed. The government will retain the option to make changes to fiscal policy at the Spring Statement if the economic circumstances require it.

About the Budget

When the Government publishes the Budget, the Chancellor gives a speech to Parliament in which he sets out the key decisions on tax, borrowing and spending, and his reasons for taking those decisions.

The Office for Budget Responsibility (OBR) provide the official forecast on which the Chancellor bases the Government's Budget.

The Budget Responsibility and National Audit Act 2011 require the OBR to publish two economic and fiscal forecasts for each financial year, including one published at the Budget. The OBR's duty is to examine and report on the sustainability of the public finances and it is required to do so objectively, transparently and impartially.

Status of this Publication

This publication was prepared immediately after the Chancellor's Autumn Budget presented it to the House of Commons. It is based on official press releases and supporting documentation. If you want to read what he said, you can access his speech here.

Full details of all announcements, supporting documents and information are available from here, including Budget documents published by HM Treasury on 22 November 2017.

Tax Tables

Conveniently, HMRC have published a set of tables with tax rates and allowances etc - readers of this publication can access that information here.

BBC's summary of the Budget proposals

BBC News summarised the main points from Chancellor Philip Hammond's Budget as follows:

- The Chancellor started his Budget by saying the UK economy "continues to grow, continues to create more jobs than ever before, and continues to confound those who seek to talk it down". With the UK preparing for a future outside the European Union, the government will "express its resolve to look forwards not backwards" in this Budget, he added.
- The Chancellor said the UK is working "to achieve a deep and special partnership" with Europe and to ensure the country is ready for every outcome of Brexit negotiations. Therefore, he is setting aside another £3bn for Brexit preparations over the next two years, in addition to the £700m already invested in Brexit preparations. "No-one should doubt our resolve," he said.
- This Budget is about "much more than Brexit", Mr Hammond said. The world is "on the brink of a technological revolution" and he plans to invest to keep Britain at the forefront of it.
- The Office for Budget Responsibility has cut its forecasts for UK economic growth. The UK economy is now expected to grow by 1.5% in 2017, a downgrade from the 2% forecast made in March. Growth has also been cut to 1.4% in 2018, 1.3% in both 2019 and 2020, before picking back up to 1.5%, and finally 1.6% in 2022.
- Mr Hammond said the OBR confirms that the UK is on track to meet the government's fiscal rules. Borrowing is forecast to be £49.9bn this year - £8.4bn lower than forecast at the Spring Budget. Borrowing will fall in every year of the forecast - from £39.5bn next year to £25.6bn in 2022-23, to reach its lowest level in 20 years.
- The Chancellor has previously committed to cutting the deficit to below 2% by 2020-21. Philip Hammond said the latest forecasts suggest he will get there. The UK's debt, as a percentage of economic output, or GDP, is expected to fall from 2.4% this year to 1.9% next year. The OBR forecasts the deficit to be 1.3% of GDP in 2020-21, giving £14.8bn of headroom against the 2% target, he said.
- Philip Hammond spoke about the National Productivity Investment Fund, which provides an additional £23bn of investment over five years to upgrade the UK's economic infrastructure for this century. The fund will be extended for another year and expanded to be worth more than £31bn. He added: "We are allocating a further £2.3 billion for investment in R&D (research and development) and we'll increase the main R&D tax credit to 12%." This, he said, will take "the first strides towards the ambition of our industrial strategy to drive up R&D investment across the economy to 2.4% of GDP".
- The Chancellor unveiled extra funds and tax incentives for electric car drivers. That includes a new £400m charging infrastructure fund, an extra £100m in Plug-In-Car Grant, and £40m for research into charging
- Staying on the road, there is reassurance from Philip Hammond for "white van men, and women" that company taxes on diesel vehicles will not hit them. The changes to company car tax for diesel vehicles will hit just that - cars - he said. And the BBC's Blue Planet II series appears to be on his mind: "The UK led the world on climate change agreements, and is a pioneer in protecting marine environments. Now I want us to become a world leader in tackling the scourge of plastic, littering our planet and our oceans."
- There were reports ahead of the Budget that the Chancellor would include some tax relief for North Sea oil companies, as the region continues to wind down as a major energy player. Mr Hammond confirmed there will be a tax break for transfers of North Sea oil and gas fields. He called it "an innovative tax policy that will encourage new entrants to bring fresh investment to a basin that still holds up to 20 billion barrels of oil".
- There is money for the nations. Decisions within this budget mean, he said, £2bn more for the Scottish Government; £1.2bn more for the Welsh Government and over £650m more for the Northern Ireland Executive. On Scottish development funding, he said: "I can confirm that progress is being made on city deals for Tay Cities and Stirling, and on a growth deal for the Borderlands." Rises to the National Living Wage from April are confirmed. It will rise 4.4%, from £7.50 an hour to £7.83 - giving full-time workers a further £600 pay increase.
- The Chancellor confirmed tobacco tax will continue to rise at inflation plus 2%. That could see the cost of cigarettes rise by about 6%.
- Philip Hammond said he recognises the "NHS is under pressure right now". To

help ease the burden, he said he's giving an extra £2.8bn to the health service in England. Of that, £350m will be for this winter, and then the rest in 2018 and 2019. He said this comes on top of other funds already announced, meaning a £7.5bn increase in the NHS budget.

- The point at which small businesses pay VAT will be kept at £85,000, the Chancellor said. There had been speculation Mr Hammond might lower the threshold to bring it in line with other European countries. He said: "I will consult on whether its design could better incentivise growth and in the mean time we will maintain it at its current level of £85,000 for the next two years."
- In business rates, the switch from the retail prices index (RPI) to the consumer prices index (CPI) is brought forward by two years, to April 2018. The move is worth £2.3bn to businesses over the next five years, the Chancellor said. He also announced measures to solve the "'staircase tax" - extending the £1,000 discount for pubs with a rateable value of less than £100,000 for another year to March 2019. Future revaluations will now take place every three years.
- The Chancellor has faced pressure to tackle offshore tax avoidance after the Paradise Papers leak earlier this month. Mr Hammond said HMRC will start to charge more tax on royalties relating to UK sales when those royalties are paid to a low tax jurisdiction, raising about £200m a year. "This does not solve the problem... but it does send a signal of our determination," he said.
- The Chancellor said the government has "raked in an extra £160bn over seven years" as a result of HMRC's compliance work over the last seven years. It's a tricky figure with high uncertainty - you can read more about it here. In particular, it's not all money that's been "raked in" - lots of it is money that HMRC reckons would have been lost in the future if action had not been taken.

- The Chancellor said it "cannot be right" to leave properties empty "when so many are desperate for a place to live". Local authorities will now have the power to charge a 100% council tax premium on empty properties. The government is also launching "a consultation on barriers to longer tenancies in the private rented sector, and how we might encourage landlords to offer them to those tenants who want the extra security". On rough sleeping, he said it is "unacceptable that in 21st century Britain there are people sleeping on the streets". The government will invest £28m in three new "Housing First" pilots in the West Midlands, Manchester and Liverpool in response. And the government will establish a homelessness taskforce in a bid to halve rough sleeping by 2022 and eliminate it by 2027.
- Duty on alcohol is being shaped by health consequences. The Chancellor said duty will rise on "cheap, high strength, low quality products – especially so-called white ciders". But recognising household budget pressures and backing pubs, he said duties on other ciders, wines, spirits and on beer will be frozen. Meanwhile, short-haul Air Passenger Duty rates will be frozen, but there will be an increase on premium class tickets - and on private jets.
- The Chancellor commits to £44bn for housing through capital funding, loans and guarantees. That follows reports that Communities Secretary Sajid Javid had pushed for an extra £50bn to tackle the housing shortage. Mr Hammond said the funds will include an extra £2.7bn to more than double the Housing Infrastructure Fund.
- In what is probably the eye-catching announcement of the Budget, first-time homebuyers will no longer have to pay stamp duty for properties of up to £300,000. The Chancellor announced that he is abolishing the charge from today. It will also be available on the first £300,000 of the purchase price of properties up to £500,000.

Quick Summary

Here is a 25-point summary of what the Chancellor announced:

1. There are over 32 million people in work – near a record high

The rise in employment over the past year has been driven by full time workers.

Unemployment is also at its lowest rate since 1975.

In 2017 growth has remained solid, but slowed slightly at the start of the year. The UK economy is forecast to grow by 1.5% in 2017. It will then grow at a slightly slower rate in the next three years, before picking up in 2021 and 2022.

Inflation is forecast to peak at 3% in the final months of this year, as measured by the Consumer Prices Index (CPI). It will then fall towards the target of 2% over the next year.

2. Borrowing has fallen by three quarters since 2010, but debt is still high

In 2009-10, the UK borrowed £1 in every £4 that was spent. Last year it was £1 in every £16.

The fall in borrowing means we are adding less to our debt every year. However, the UK still has a debt of over £1.7 trillion – around £65,000 for every household in the country.

3. An extra £3 billion to prepare for Brexit over the next two years

The money will make sure the government is ready on day 1 of exit. It will include funding to prepare the border, the future immigration system and new trade relationships.

4. £6.3 billion of new funding for the NHS

£3.5 billion will be invested in upgrading NHS buildings and improving care.

£2.8 billion will go towards improving A&E performance, reducing waiting times for patients, and treating more people this winter.

5. Abolishing stamp duty land tax (SDLT) on homes under £300,000 for first-time buyers from 22 November 2017

95% of first-time buyers who pay stamp duty will benefit.

First-time buyers of homes worth between £300,000 and £500,000 will not pay stamp duty on the first £300,000. They will pay the normal rates of stamp duty on the price above that. This will save £1,660 on the average first-time buyer property.

80% of people buying their first home will pay no stamp duty.

There will be no relief for those buying properties over £500,000.

6. 300,000 new homes a year, an amount not achieved since 1970

£15.3 billion new financial support for house building over the next five years – taking the total to at least £44 billion. This includes £1.2 billion for the government to buy land to build more homes, and £2.7 billion for infrastructure that will support housing.

The government will also create 5 new 'garden' towns.

Changes to the planning system will encourage better use of land in cities and towns. This means more homes can be built while protecting the green belt.

7. The National Living Wage and the National Minimum Wage will increase from April 2018

The National Living Wage for those aged 25 and over will increase from £7.50 per hour to £7.83 per hour from April 2018. Over 2 million people are expected to benefit. For a full-time worker, it represents a pay rise of over £600 a year.

The National Minimum Wage will also increase:

21 to 24 year olds	**18 to 20 year olds**	**16 and 17 year olds**	**Apprentices**
£7.38 per hour	£5.90 per hour	£4.20 per hour	£3.70 per hour

8. The tax-free personal allowance will rise with inflation to £11,850 from April 2018

The personal allowance – the amount you earn before you start paying income tax – will rise from £11,500 to £11,850. This means that in 2018-19, a typical taxpayer will pay £1,075 less income tax than in 2010-11.

9. Fuel duty will remain frozen for an eighth year

In 2018, fuel duty will remain frozen for the eighth year in a row, saving drivers £160 a year on average.

10. A new railcard for those aged 26 to 30

The government will work with the rail industry on a new railcard which will be introduced from spring 2018.

11. Duty on beer, wine, cider and spirits will be frozen

The cost of a pint of beer or cider will be 1p lower than if duty had risen by inflation. The cost of a typical bottle of wine will be 6p cheaper.

Cheap, high-strength cider will be subject to a new band of duty.

12. Duty on tobacco will rise

The duty on cigarettes will increase by 2% above inflation. Hand-rolling tobacco duty will increase by 3% above inflation.

13. 95% of passengers will not see an increase in their Air Passenger Duty

Air Passenger Duty will be frozen for all economy passengers and all short-haul flights. It will rise for premium fares on long-haul flights, and on private jets.

14. Households applying for Universal Credit will get more upfront support

Households in need who qualify for Universal Credit will be able to access a month's worth of support within five days, via an interest-free advance, from January 2018. This can be repaid over 12 months.

Claimants will be eligible for Universal Credit from the day they apply, rather than after seven days. Housing Benefit will continue to be paid for two weeks after a Universal Credit claim.

Low-income households in areas where private rents have been rising fastest will receive an extra £280 on average in Housing Benefit or Universal Credit.

15. Electric and driverless cars

The UK will set out rules so that self-driving cars can be tested without a safety operator.

An extra £100 million will go towards helping people buy battery electric cars. The government will also make sure all new homes are built with the right cables for electric car charge points.

16. The world's first national advisory body for artificial intelligence (AI)

The Centre for Data Ethics and Innovation will set standards for the use and ethics of AI and data. This will allow the UK to lead the world in developing practical uses for the technology.

17. More investment in maths and science in schools

Schools will get £600 for every extra pupil who takes A level or Core maths.

£27 million will help improve how maths is taught in 3,000 schools. £49 million will go towards helping students resitting GCSE maths.

£350,000 of extra funding a year will be given to every specialist maths school that is set up across the country. The number of fully-qualified computer science teachers will also rise from 4,000 to 12,000.

18. £64 million for construction and digital training courses

£34 million will go towards teaching construction skills like bricklaying and plastering. £30 million will go towards digital courses using AI.

This funding is provided in advance of launching a National Retraining Scheme that will help people get new skills. It will be overseen by the government, the Trades Union Congress (TUC) and the Confederation of British Industry (CBI). They will decide on other areas of the economy where new skills and training courses are needed.

19. A £220 million Clean Air Fund for local areas with the highest air pollution

Local authorities will be able to use this money to help people adapt as steps are taken to reduce air pollution. Possible ways the money could be spent include reducing the cost of public transport for those on low incomes or modernising buses with more energy efficient technology.

The money will come from a temporary rise in Company Car Tax and Vehicle Excise Duty on new diesel cars.

20. Reducing single-use plastics waste

The government will seek views on reducing single-use plastics waste through the tax system and charges. Disposable plastics like coffee cups, toothpaste tubes and polystyrene takeaway boxes damage our environment.

This follows the success of the 5p carrier bag charge, which has reduced the use of plastic bags by 80% in the last two years.

21. Business rates will switch to being increased by the Consumer Price Index (CPI) 2 years earlier than planned

Business Rates will rise by CPI from April 2018. Business rates currently rise by the Retail Price Index (RPI), a different way of measuring inflation which tends to be higher than the CPI.

Business rates revaluations will take place every 3 years, rather than every 5 years, starting after the next revaluation, currently due in 2022.

22. Pubs in England will continue to receive a £1,000 business rates discount next year

The discount applies to pubs with a rateable value of up to £100,000.

23. Stopping digital multinationals who hold intellectual property in low-tax countries from avoiding tax

The government will also look to change international corporate tax rules to ensure digital companies pay a fair amount of tax.

24. More money for Scotland, Wales and Northern Ireland

The devolved administrations will all get increased spending power in devolved areas, including education, health and transport. Each devolved administration can decide where this will be spent:

- There will be an increase of £2 billion for the Scottish Government
- There will be an increase of £1.2 billion for the Welsh Government
- There will be an increase of £660 million for a Northern Ireland Executive
- Police Scotland and the Scottish Fire and Rescue Service will be able to claim VAT refunds which will save them around £40 million per year.

25. Funding for transport across England

£1.7 billion will go towards improving transport in English cities. Half will be given to Combined Authorities with Mayors, and the rest allocated by a competition.

An extra £337 million will go towards a fleet of new trains on the Tyne & Wear Metro.

An extra £6 million will go towards the Midlands Connect motorway and rail projects. Transport links along the Cambridge-Milton Keynes-Oxford corridor will be improved by:

- completing the rail link between Oxford and Bedford, and Aylesbury and Milton Keynes
- setting up a new East West Rail Company to speed up work on the rail link between Bedford and Cambridge
- £5 million to help develop plans for Cambridge South Station
- building the Expressway road between Oxford and Cambridge

The Detail

The following text sets out the detail of each tax policy measure announced at Autumn Budget 2017. It is intended for tax practitioners and others with an interest in tax policy changes, especially those who will be involved in consultations both on the policy and on draft legislation.

'Finance Bill 2017-18' will be published on 1 December 2017.

References to 'Finance Bill 2018-19' refer to the Finance Bill which will be introduced to Parliament following Budget 2018.

The information in the Budget document is set out as follows:

- Section 1 provides detail on all tax measures to be legislated in 'Finance Bill 2017-18'. This includes confirmation of previously announced policy changes and explains where changes, if any, have been made following consultation on the draft legislation. It also sets out new measures announced at Autumn Budget 2017, where they will be in 'Finance Bill 2017-18'.
- Section 2 provides detail on tax measures announced at Autumn Budget 2017 which are not included in 'Finance Bill 2017-18'. Any tax changes will be legislated, for example, by secondary legislation or in a future Finance Bill.
- Table 1 lists measures in this document without a corresponding announcement in the Budget report, which are part of Autumn Budget 2017.
- Annex A provides tables of tax rates and allowances for tax year 2018 to 2019 and tax year 2019 to 2020.
- Annex B: Table 2 lists upcoming consultations, calls for evidence and other consultative documents announced at Autumn Budget 2017.
- Table 3 provides an update on consultations calls for evidence and other consultative documents announced at Spring Budget 2017.
- Annex C provides guidance on impact assessments in Tax information and impact notes (TIINs).

Income Tax

1.1 Income Tax charge and rates: tax year 2018 to 2019

As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18' to set the charge for Income Tax, and the corresponding rates, as it does every year. 'Finance Bill 2017-18' will set:

- the 'main rates', which will apply to 'non-savings, non-dividend' income of taxpayers in England, Wales and Northern Ireland
- the 'savings rates', which will apply to savings income of all UK taxpayers
- the 'default rates', which will apply to a very limited category of income taxpayers that will not fall within the above two groups, made up primarily of trustees and non-residents

Income Tax rates and thresholds on non-savings, non-dividend income for Scottish taxpayers are set by the Scottish Parliament.

1.2 Marriage Allowance: allowing claims on behalf of deceased spouses

As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18' to allow Marriage Allowance claims on behalf of deceased spouses and civil partners, and for the claim to be backdated for up to four years where the entitlement conditions are met. The changes will have effect on and after 29 November 2017.

1.3 Income Tax: mileage rates for landlords

As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18' to give unincorporated property businesses the option to use a fixed rate deduction for every mile travelled by car, motorcycle or goods vehicle for business journeys. This will be as an alternative to claims for capital allowances and deductions for actual expenses incurred, such as fuel. The changes will have effect on and after 6 April 2017. Stakeholders requested this measure during the consultation in summer 2016 on introducing the cash basis for property businesses.

1.4 Offshore trusts: anti-avoidance rules

As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18' to introduce new anti-avoidance rules that relate to the taxation of income and gains accruing to offshore trusts. This measure ensures that payments from an offshore trust intended for a UK resident individual do not escape tax when they are made via an overseas beneficiary or a remittance basis user.

Draft legislation - Offshore trusts: anti-avoidance were published on 13 September 2017. Following consultation, minor changes have been made to the legislation, including to ensure that the onward gift rules can apply if the close family member rule applies, to clarify the position in the year of the settlor's death and in relation to onward gifts to multiple recipients.

The changes will have effect on and after 6 April 2018.

1.5 Partnership taxation: proposals to clarify tax treatment

As announced at Budget 2016, the government will legislate in 'Finance Bill 2017-18' to clarify in particular circumstances where the current rules for partnerships are seen as creating uncertainty, and will reduce the scope for non-compliant taxpayers to avoid or delay paying tax.

Draft legislation - Partnership taxation: proposals to clarify tax treatment were published on 13 September 2017. Following consultation, the legislation has been revised to be more compatible with commercial arrangements for allocating shares of profit and to avoid additional administrative burdens for customers. The changes will have effect for the tax year 2018 to 2019 and subsequent tax years.

1.6 Venture Capital Trusts (VCTs): effect of anti-abuse provisions on commercial mergers

The government will legislate in 'Finance Bill 2017-18' to limit the application of an anti-abuse rule relating to mergers of VCTs. The rule restricts relief for investors who sell shares in a VCT and subscribe for new shares in another VCT within a six month period, where those VCTs merge. This rule will no longer apply if those VCTs merge more than two years after the subscription, or do so only for commercial reasons.

The change will have effect for VCT subscriptions made on or after 6 April 2014. This measure is subject to normal state aid rules.

1.7 Venture Capital Schemes: risk to capital condition

As announced at Autumn Budget 2017, in response to the Patient Capital Review the government will legislate in 'Finance Bill 2017-18' to ensure the Venture Capital Schemes (the Enterprise Investment Scheme (EIS), Seed EIS and VCTs) are targeted at growth investments. Relief under the schemes will be focussed on companies where there is a real risk to the capital being invested, and will exclude companies and arrangements intended to provide 'capital preservation'.

The changes will have effect for investments made on and after Royal Assent of Finance Bill 2017-18. Detailed guidance will be issued shortly after the publication of 'Finance Bill 2017-18'. HM Revenue and Customs (HMRC) will cease to provide advance assurances for investments that appear not to meet this condition on and after the date of publication of the guidance where it would be reasonable to conclude that a company appears to be intending to carry out capital preservation activities. This deadline will apply also to advance assurance applications received before that date.

This measure is subject to normal state aid rules.

1.8 VCT: other reforms
In response to the Patient Capital Review the government will legislate in 'Finance Bill 2017-18' to move VCTs towards higher risk investments by:

- removing certain 'grandfathering' provisions that enable VCTs to invest in companies under rules in place at the time funds were raised, with effect on and after 6 April 2018
- requiring 30% of funds raised in an accounting period to be invested in qualifying holdings within [12] months after the end of the accounting period, with effect on and after 6 April 2018
- increasing the proportion of VCT funds that must be held in qualifying holdings to 80%, with effect for accounting periods beginning on and after 6 April 2019
- increasing the time to reinvest the proceeds on disposal of qualifying holdings from six months to 12 months for disposals on or after 6 April 2019
- introducing a new anti-abuse rule to prevent loans being used to preserve and return equity capital to investors, with effect on and after Royal Assent of Finance Bill 2017-18

This measure is subject to normal state aid rules.

1.9 EIS and Venture Capital Trusts: increased limits for investments in knowledge-intensive companies
As announced at Autumn Budget 2017, in response to the Patient Capital Review the government will legislate in 'Finance Bill 2017-18' to encourage more investment in knowledge-intensive companies under the EIS and VCT scheme.

The government will legislate to:

- double the limit on the amount an individual may invest under the EIS in a tax year to £2 million from the current limit of £1 million, provided any amount over £1 million is invested in one or more knowledge-intensive companies
- raise the annual investment limit for knowledge-intensive companies receiving investments under the EIS and from VCTs to £10 million from the current limit of £5 million. The lifetime limit will remain the same at £20 million
- allow knowledge-intensive companies to use the date when their annual turnover first exceeds £200,000 in determining the start of the initial investing period under the permitted maximum age rules, instead of the date of first commercial sale

The changes will have effect on and after 6 April 2018. This measure is subject to normal state aid rules.

1.10 EIS and Venture Capital Trusts: relevant investments
The government will legislate in 'Finance Bill 2017-18' to ensure all risk finance investments, whenever made, will count towards the lifetime funding limits for companies receiving investments under the EIS and VCT scheme. The current rules exclude certain investments made before 2012.

The changes will have effect for investments made on and after 1 December 2017. This measure is subject to normal state aid rules.

Employment and benefits in kind

1.11 Armed Forces: accommodation allowance
As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18' to introduce an Income Tax exemption for certain allowances paid to Armed Forces personnel for renting or maintaining accommodation in the private market.

A Class 1 National Insurance Contributions (NICs) disregard will also be introduced through regulations.

The change will have effect on and after Royal Assent of Finance Bill 2017-18, once regulations have been laid.

1.12 Extending Seafarers' Earnings Deduction to the Royal Fleet Auxiliary
As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18' so the Seafarers' Earnings Deduction from income tax will be extended to cover the Royal Fleet Auxiliary. This places the existing extra-statutory treatment on to a statutory footing.

The change will have effect on and after Royal Assent of Finance Bill 2017-18.

1.13 Reform of tax treatment of termination payments: foreign service relief
As announced at Budget 2016 and confirmed at Spring Budget 2017, the government will legislate in Finance Bill 2017-18 to ensure employees who are UK resident in the tax year their employment is terminated will not be eligible for foreign service relief on their termination payments. Reforming foreign service relief in this way will help achieve the government's aims of a fairer tax system. The existing Statutory Residency Test will be used to determine whether employees are UK resident in the tax year they receive their termination award. Reductions in the case of foreign service are retained for seafarers. Draft legislation was published on 13 September 2017. Following consultation, the legislation remains unchanged. The changes will have effect on and after 6 April 2018 and apply to those who have their employment contract terminated on and after 6 April 2018. Draft legislation and TIIN - Termination payments: removal of foreign service relief were published on 13 September 2017.

1.14 Tackling disguised remuneration
As announced at Budget 2016 and confirmed at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18' to tackle existing, and prevent future use of, disguised remuneration tax avoidance schemes. The majority of the changes announced at Budget 2016 have been enacted, including a new charge on loans made after 5 April 1999 through disguised remuneration schemes that remain outstanding on 5 April 2019.

Following consultation on draft legislation: tackling disguised remuneration - avoidance schemes published on 13 September 2017, the government will legislate in 'Finance Bill 2017-18' to:

- introduce the close companies' gateway, to tackle disguised remuneration avoidance schemes used by close companies to remunerate their employees, and directors, who have a material interest. This change will have effect on and after 6 April 2017
- require all employees, and self-employed individuals, who have received a disguised remuneration loan to provide information to HMRC by 1 October 2019

This information will help HMRC ensure the loan charge is complied with. This change will have effect on and after Royal Assent of Finance Bill 2017-18.

The government will also legislate in 'Finance Bill 2017-18' to:

- put beyond doubt, with effect from 22 November 2017, that Part 7A of Income Tax (Earnings and Pensions) Act 2003 applies regardless of whether contributions to disguised remuneration avoidance schemes should previously have been taxed as employment income - this change will have effect on and after 22 November 2017
- ensure the liabilities arising from the loan charge are collected from the appropriate person where the employer is located offshore - this change will have effect on and after Royal Assent of Finance Bill 2017-18
- Further detail on these changes can be found in the tackling disguised remuneration - technical note.

1.15 Off-payroll working reform: extension to the private sector
As announced at Autumn Budget 2017, the government will consult in 2018 on how to tackle non-compliance with the intermediaries legislation (commonly known as IR35) in the private sector. The legislation ensures individuals who effectively work as employees are taxed as employees, even if they choose to structure their work through a company.

A possible next step would be to extend the recent public sector reforms to the private sector. The government recognises the importance of taking account of the needs of businesses and individuals who would implement any change. The consultation will draw on the experience of the public sector reforms, and external research already commissioned by the government and due to be published in early 2018.

1.16 Cars: increasing the diesel supplement
As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18' to increase the diesel supplement, from 3% to 4%. The diesel supplement is used to calculate company car tax and car fuel benefit charge, where the employer provides

the employee with a diesel car that is made available for private use.

This will apply to all diesel cars registered on and after 1 January 1998 that do not meet the Real Driving Emissions Step 2 (RDE2) standards. This has the effect of increasing the level of the taxable benefit for diesel cars, which produce a higher level of harmful particulates such as nitrous oxide, and is intended to have a positive impact on air quality. There is no change to the current position that the diesel supplement does not apply to hybrid cars.

The change will have effect on and after 6 April 2018.

1.17 Company car tax and Vehicle Excise Duty (VED): carbon dioxide emission regime
As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18' to confirm that carbon dioxide figures compatible with the current New European Driving Cycle test procedure will be used by HMRC for the purposes of collecting company car tax until April 2020.

The government will however also take forward legislation in a future Finance Bill that will change the system for measuring carbon dioxide emissions to the Worldwide Harmonised Light Vehicle Test Procedure from April 2020.

Similar legislation will be introduced in respect of VED.

Pensions Tax

1.18 Master trust tax registration
As announced at Spring Budget 2017, the government will legislate in 'Finance Bill 2017-18' to introduce HMRC powers to register and de-register master trust pension schemes and schemes for dormant companies. Draft legislation and TIIN - Pensions Tax registration were published on 13 September 2017.

The legislation is unchanged following consultation. The changes will have effect on and after 6 April 2018.

1.19 Lifetime allowance: ongoing Consumer Prices Index increase
As announced at March Budget 2015 and confirmed at Summer Budget 2015 and Autumn Budget 2017, the lifetime allowance for pension savings will increase in line with the Consumer Prices Index, rising to £1,030,000 for the tax year 2018 to 2019.

Corporation Tax

1.20 Corporate interest restriction
The government will legislate in both 'Finance Bill 2017-18' and 'Finance Bill 2018-19' to make technical amendments to the corporate interest restriction rules. This will ensure the regime works as intended. Certain of these amendments are treated as having effect on and after 1 April 2017, when the corporate interest restriction rules commenced. The remainder of the amendments have effect on and after 1 January 2018.

1.21 Corporation Tax: Double Taxation Relief (DTR) and permanent establishment (PE) losses
As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18' to restrict the amount of credit allowed, or deduction given, for foreign tax suffered by an overseas PE of a company, where the company has received relief in the foreign jurisdiction for the losses of the PE against profits other than those of the PE.

The change will have effect on and after 22 November 2017.

1.22 Hybrid mismatch rules
As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18' to make minor technical changes to the Hybrid and other Mismatches regime (Part 6A of Taxation (International and Other Provisions) Act 2010) to ensure that those rules operate as intended.

The change in relation to taxes charged at a nil rate will have effect on and after 1 January 2018. The remaining changes will have effect on and after 1 January 2017.

1.23 Intangible Fixed Assets: related party step-up schemes
As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18' to ensure licence arrangements between a company and a related party in respect of Intangible Fixed Assets are subject to the market value rule. The government will also legislate to ensure that realisations of a company's intangible fixed asset, where consideration is wholly or partly something other than cash, will recognise the market value of that consideration.

The changes will have effect in relation to transactions occurring on and after 22 November 2017.

1.24 Ring Fence Corporation Tax: tariff receipts
As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18' to clarify that all activities by UK petroleum licence holders that give rise to tariff income in relation to UK oil and gas assets are oil extraction activities, meaning that the profits are subject to Ring Fence corporation tax and Supplementary Charge.

The change will have effect in relation to accounting periods beginning on and after 1 January 2018. This change will allow the government to legislate by statutory instrument to progress the Budget 2016 commitment to expand the scope of the Investment and Cluster Area Allowances. A technical note will be published on 1 December 2017, which will provide further background and information on this announcement.

1.25 Withholding tax exemption for a debt traded on a multilateral trading facility (MTF)
As announced at Spring Budget 2017, the government will legislate in 'Finance Bill 2017-18' to remove the requirement to withhold tax on interest for debt issued on a MTF operated by a recognised stock exchange regulated in the European Economic Area.

Draft legislation and TIIN: Income Tax: debt traded on a multilateral trading facility were published on 13 September 2017. Following consultation, the legislation has been amended to widen the definition of alternative finance investment bonds to include securities admitted to trading on such an MTF.

The changes will have effect for:

- payments of interest made on and after 1 April 2018
- Corporation Tax purposes for accounting periods beginning on and after 1 April 2018
- Income Tax purposes for the tax year 2018 to 2019 and subsequent tax years

1.26 Increasing the rate of the Research and Development (R&D) expenditure credit
As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18' to increase the rate of the R&D expenditure credit from 11% to 12%, in order to support business investment in R&D.

This change will have effect on and after 1 January 2018.

1.27 Bank Levy re-scope
As announced at Summer Budget 2015 and confirmed at Autumn Statement 2016, the government will change the Bank Levy's scope so that UK headquartered banks are levied only on their UK balance sheet liabilities. Minor changes will also be made to the administration of the Bank Levy.

Draft legislation: Bank Levy: changes to scope and administration were published on 13 September 2017. Following consultation, the draft legislation has been amended to include a number of technical changes to the Bank Levy calculation.

The changes to the Bank Levy's scope will have effect for chargeable periods ending on and after 1 January 2021, while other changes will have effect on and after Royal Assent of Finance Bill 2017-18, or for chargeable periods ending on and after 1 January 2018.

1.28 Corporation Tax: exemption for the Education Authority (Northern Ireland)
As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18' to exempt the Education Authority (Northern Ireland) from Corporation Tax, in order to ensure consistency of tax treatment with equivalent bodies providing state-funded education across the UK.

The changes will have effect on and after 1 April 2015.

1.29 Capital Gains Tax: taxation of carried interest
As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18' to amend legislation in the Taxes Acts to ensure that asset managers receiving carried interest pay capital gains tax on their full economic gain. The changes will remove the special treatment afforded to carried interest that arises in connection with disposals of assets before certain dates in 2015.

The changes will have effect on and after 22 November 2017.

1.30 Corporation Tax: Capital Gains depreciatory transactions
As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18' to remove the time limit of six years within which companies must adjust for any

depreciatory transactions when claiming a capital loss on disposal of shares in a group company.

The change will have effect for disposals of shares in or securities of a company made on and after 22 November 2017.

1.31 Corporation Tax: Corporate Capital Gains indexation allowance

As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18' to freeze indexation allowance on corporate Capital Gains for disposals on and after 1 January 2018. The allowance for subsequent disposals will be frozen at the amount that would be due based on the Retail Price Index for December 2017.

The change will have effect for disposals on and after 1 January 2018.

1.32 Corporation Tax: Capital Gains - postponement of gains on branch assets on incorporation

As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18' to correct an anomaly whereby a postponed tax charge may become payable when a new holding company is inserted directly above an overseas company to which a UK company has previously transferred the trade and assets of a foreign branch in return for shares.

The change will have effect for disposals on and after 22 November 2017.

Value Added Tax

1.33 Extension of joint and several liability (JSL) on the online marketplaces and displaying VAT numbers online

As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18' to extend the scope of existing JSL rules to hold an online marketplace jointly and severally liable for:

- any future VAT that a UK business selling goods via the online marketplace fails to account for after HMRC has issued a notice to the online marketplace, ensuring that all sellers are in scope
- any VAT that a non-UK business selling goods via the online marketplace fails to account for, where the business was not registered for VAT in the UK and that online marketplace knew or should have known that that business should be registered for VAT in the UK

The government will also legislate in 'Finance Bill 2017-18' to require online marketplaces to ensure that VAT numbers displayed for third party sellers on their websites are valid. They will also be required to display a valid VAT number when they are provided with one by a third party seller operating on their platform. These requirements will be supported by a regulatory penalty.

The changes will have effect on and after Royal Assent of Finance Bill 2017-18.

1.34 VAT: refunds to combined authorities, fire and rescue authorities, the Scottish Fire and Rescue Service, and the Scottish Police

As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18', to amend section 33(3) of Value Added Tax Act 1994 to include the following bodies/class of bodies:

- The Scottish Police Authority
- The Scottish Fire and Rescue Service
- Combined Authorities
- Fire and Rescue Service Bodies, which become a function of Police and Crime Commissioners (PCC)

This removes the need for individual statutory instruments on the establishment of each new combined authority and PCC Fire and Rescue authorities.

The change will have effect on and after Royal Assent of Finance Bill 2017-18.

Indirect Tax

1.35 Landfill Tax reform

As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18' to make changes to the criteria determining when Landfill Tax is due, and to extend the scope of Landfill Tax to disposals of material at sites operating without the appropriate environmental authorisation. This follows consultations in 2016 and 2017 respectively.

Draft legislation: Landfill Tax: disposals not made at landfill sites were published on 13 September 2017, when the government also confirmed its intention to legislate from 1 April 2018. Following consultation, changes have been made to further align the legislation with environmental law and ensure that operators of quarries will not be required to register for Landfill Tax. Statutory instruments will also be required.

Draft instruments will be published in December 2017 and laid after Royal Assent to Finance Bill 2017-18.

The changes will have effect on and after 1 April 2018. The measure will apply to sites in England and Northern Ireland. Landfill Tax was devolved to the Scottish Parliament in April 2015 and will be devolved to the Welsh Assembly from April 2018.

Excise Duties

1.36 VED

As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18' to increase VED rates for motorcycles and vans, and cars registered before 1 April 2017 and First Year Rates for cars under the post April 2017 VED system, by the Retail Price Index with effect from 1 April 2018.

The rates are set out at Annex A – click here.

1.37 VED Diesel Supplement

As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18' to apply a supplement to new diesel cars registered on and after 1 April 2018, so that the First Year Rate of VED for a new diesel car will go up by one band. The change will apply to all new diesel cars that do not meet the RDE2 standards.

1.38 Air Passenger Duty

As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18' to increase the Air Passenger Duty long-haul standard rate to £172 and the long-haul higher rate to £515 on and after 1 April 2019. Short haul rates, and the long haul reduced rate for economy passengers will be frozen at the tax year 2018 to 2019 levels.

Rates for the tax year 2020 to 2021 will be set at Budget 2018.

1.39 Tobacco Duty rates

As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18' to:

- increase the duty rates for all tobacco products by 2% above Retail Price Index inflation from 6pm on 22 November 2017
- increase duty for hand-rolling tobacco by an additional 1% above this 2% increase, to 3% above retail price from 6pm on 22 November 2017

Autumn Budget 2017 also announced that tobacco duty rates will increase by a minimum of 2% above inflation until the end of this Parliament.

The rates are set out in Annex A – click here.

1.40 Tobacco Minimum Excise Tax

As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18' to set the Minimum Excise Tax at £280.15 per 1000 cigarettes. The change will have effect from 6pm on 22 November 2017.

The rates are set out in Annex A - click here.

1.41 Stamp Duty Land Tax relief for first-time buyers

The Budget document sets out the background to stamp duty land tax and details of the government's reforms. Previously, first-time buyers paid stamp duty on purchases above £125,000.

On and after 22 November 2017, stamp duty is abolished for first-time purchases up to £300,000 – the largest ever increase in the point at which first-time buyers become liable for the duty – and they will pay £5,000 less on purchases between £300,000 and £500,000. To focus this relief on those who need it most, it will not apply on purchases above £500,000.

The table below sets out how much first-time buyers will pay before and after Budget:

Purchase Price	Stamp Duty Before Budget	Stamp Duty from 22 November Onwards
£200,000	£1,500	£0
£208,000 – *average first-time buyer property in the UK*	*£1,660*	*£0*
£300,000	£5,000	£0
£400,000	£10,000	£5,000
£410,000 – *average first-time buyer property in London*	*£10,500*	*£5,500*
£500,000	£15,000	£10,000
Above £500,000	Stamp duty due is unchanged from existing rates on purchases above £500,000	

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1.42 SDLT Higher Rates
As announced at Autumn Budget 2017, the government will legislate in Finance Bill 2017-18 to improve the operation of the Higher Rates of SDLT by granting relief from tax in certain cases where:

- a court order issued on a divorce or dissolution of a civil partnership prevents someone from disposing of their interest in a main residence
- a spouse buys property from their spouse
- a person buys a property in a child's name or on a child's behalf, where they are doing so in their capacity as the deputy of that child
- a purchaser adds to their interest in their main residence

The government will also introduce a new rule to prevent abuse of relief for replacement of a purchaser's only or main residence, by requiring the purchaser to dispose of the whole of their interest in their former main residence and to do so to someone who is not their spouse.

The changes will have effect on and after 22 November 2017.

Avoidance and Evasion

1.43 DTR: changes to targeted anti-avoidance
As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18' to make two changes to the DTR Targeted Anti-Avoidance Rule (DTR TAAR).

The first change will remove the need for HMRC to give a counteraction notice before the DTR TAAR applies. The second change will extend the scope of one of the categories of prescribed schemes to with the TAAR applies, to include tax payable by any connected persons.

The first change will have effect on and after 1 April 2018 and the second change will have effect on and after 22 November 2017.

Tax Administration

1.44 Amendment to the Customs and Excise Management Act 1979
As announced at Autumn Statement 2016, the government will legislate in 'Finance Bill 2017-18' to clarify the powers that allow officers of HMRC to use force to gain access to a locked vehicle, when stopping or searching it, which they suspect contains goods liable to forfeiture.

The changes will have effect on and after Royal Assent of Finance Bill 2017-18.

Power to search vehicles or vessels under section 163 of Customs and Excise Management Act 1979 was published on 5 December 2016.

1.45 Customs examination powers: section 24 of Finance Act 1994
As announced at Autumn Statement 2016, the government will legislate in 'Finance Bill 2017-18' to extend the powers HMRC officers currently have under section 24 of the Finance Act 1994, so they can examine and take account of goods thoroughly, post clearance, inland, where a customs offence is suspected. This will enable an officer to move, open or unpack goods or containers, or require them to be opened or unpacked, and search the containers and anything in them, as well as mark them as necessary.

The changes will have effect on and after Royal Assent of Finance Bill 2017-18.

1.46 Giving effect to the Base Erosion and Profit Shifting (BEPS) Multilateral Instrument (MLI) in domestic law
As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2017-18' to amend the powers by which double taxation arrangements with other territories are given effect in the UK. The changes are being made to ensure that the powers are sufficient to give full effect to the Multilateral Convention to Implement Tax Treaty Related Measures to prevent BEPS (the MLI), which was signed by the UK in June 2017.

The changes will have effect on and after Royal Assent of Finance Bill 2017-18.

Future tax changes

Income Tax

2.1 Income Tax personal allowance and higher rate threshold from 2018
As announced at Autumn Budget 2017, the government will increase the Income Tax Personal Allowance to £11,850 for the tax year 2018 to 2019.

The basic rate limit will also be increased to £34,500 in 2018 to 2019. Changes to the basic rate limit will apply to England, Wales and Northern Ireland. Since April 2017, the Scottish Parliament sets the basic rate limit for Scotland.

Taken together, these changes will increase the higher rate threshold, above which individuals in England, Wales and Northern Ireland pay income tax at 40%, to £46,350 in 2018 to 2019. The increases are based on the September 2017 Consumer Prices Index and will be introduced by statutory instrument later in 2017.

The updated rates are available in Annex A - click here.

2.2 Starting rate for savings
As announced at Autumn Budget 2017, the 0% band for the starting rate for savings income will be retained at its current value of £5,000 during 2018 to 2019 and will not be uprated in line with inflation.

This measure will apply to the whole of the UK.

2.3 Extending the scope of Qualifying Care Relief to cover self-funded Shared Lives payments
As announced at Autumn Budget 2017, the government will amend Qualifying Care Relief to include Shared Lives schemes that are self-funded by the person receiving care. The relief is being extended in this way to reflect current developments in the care sector.

The changes will have effect for the tax year 2017 to 2018.

2.4 Engaging with stakeholders on Social Investment Tax Relief care homes accreditation
At Autumn Statement 2016, the government announced an intention to introduce an accreditation system to allow investment in care homes under Social Investment Tax Relief. The government intends that the design for the system will include a minimum proportion of Local Authority funded beds.

The government will engage with stakeholders to test and develop the proposed design.

2.5 Simplification of Gift Aid donor benefits rules for charities
As announced at Autumn Budget 2017, the government will legislate in ‘Finance Bill 2018-19’ to simplify the donor benefit rules that apply to charities that claim Gift Aid tax relief on donations. Currently there are a mix of monetary and percentage thresholds that charities have to consider when determining the value of benefit they can give to their donors in consequence of a donation on which Gift Aid can be claimed.

These will be replaced by two percentage thresholds:

- the benefit threshold for the first £100 of the donation will remain at 25% of the amount of the donation
- for larger donations, charities will be able to offer an additional benefit to donors up to 5% of the amount of the donation that exceeds £100

The total value of the benefit that a donor will be able to receive remains at £2,500. Four extra statutory concessions that currently operate in relation to the donor benefit rules will also be brought into legislation.

A summary of responses to a consultation on simplifying the Gift Aid donor benefit rules will be published on 1 December 2017.

The changes will have effect on and after 6 April 2019.

2.6 Profit fragmentation
As announced at Autumn Budget 2017, the government will consult on the best way to prevent UK traders or professionals from avoiding UK tax by arranging for UK trading income to be transferred to unrelated entities. This will include arrangements where profits accumulate offshore and are not returned to the UK.

2.7 Royalties Withholding Tax
As announced at Autumn Budget 2017, the government will publish a consultation on 1 December 2017 on the design of rules expanding the circumstances in which a royalty payment to persons not resident in the UK has a liability to Income Tax. Legislation will be introduced in ‘Finance Bill 2018-19’, and the changes will have effect from April 2019.

2.8 Call for evidence on rent-a-room relief
As announced at Autumn Budget 2017, the government will publish a call for evidence on 1 December 2017 to build the evidence base around the usage of rent-a-room relief and to help establish whether it is consistent with the original policy rationale to support longer-term lettings.

2.9 Venture Capital Schemes: streamlining the advance assurance service
As announced at Autumn Statement 2016, a consultation document titled ‘Tax-advantaged venture capital schemes - streamlining the advance assurance service’, was published on

5 December 2016. A summary of responses was published on 20 March 2017. The government response will be published on 1 December 2017.

2.10 Consultation on an innovative EIS fund
In response to the Patient Capital Review the government will consult in 2018 on the introduction of a new knowledge intensive EIS fund structure in which funds would have flexibility to deploy capital raised over a longer period.

This measure is subject to normal state aid rules.

2.11 Taxation of trusts
As announced at Autumn Budget 2017, the government will publish a consultation in 2018 on how to make the taxation of trusts simpler, fairer and more transparent.

2.12 Individual Savings Account (ISA) and Child Trust Funds annual subscription limits
As announced at Autumn Budget 2017, the ISA subscription limit for 2018 to 2019 will remain unchanged at £20,000. The annual subscription limit for Junior ISAs and Child Trust Funds for the tax year 2018 to 2019 will be uprated in line with the Consumer Prices Index to £4,260.

This measure will apply to the whole of the UK.

Employment and benefits in kind

2.13 NICs Bill
The government has announced that it will introduce the NICs Bill in 2018. The measures it will implement will now take effect one year later, from April 2019. This includes the abolition of Class 2 NICs, reforms to the NICs treatment of termination payments, and changes to the NICs treatment of sporting testimonials.

Draft legislation and tax information and impact notes for the abolition of Class 2 NICs and reforms to the NICs treatment of termination payments were published on 5 December 2016.

A tax information and impact note for changes to the NICs treatment of sporting testimonials was published on 16 March 2016. Reforms to the NICs treatment of termination payments were published on 5 December 2016.

A tax information and impact note for changes to the NICs treatment of sporting testimonials was published on 16 March 2016.

2.14 Save-As-You-Earn Pause
The government will allow employees on maternity and parental leave to take a pause of up to 12 months from saving into their Save-As-You-Earn employee share scheme. Employees can currently pause saving for 6 months. This increase is to allow employees on maternity and parental leave to continue saving into the scheme.

The change will have effect on and after 6 April 2018. HMRC guidance will set out the changes.

2.15 Employer-provided electricity for an electric car
As announced at Autumn Budget 2017, the government will legislate in Finance Bill 2018-19 to exempt employer-provided electricity from being taxed as a benefit in kind from April 2018. This will apply to electricity provided in workplace charging points for electric or hybrid cars owned by employees.

2.16 Van Benefit Charge (VBC) and van and car fuel benefit charge
As announced at Autumn Budget 2017, the government will increase VBC and the van and car fuel benefit charges by the September 2017 Retail Price Index. The change will have effect on and after 6 April 2018. The government will legislate by statutory instrument in December 2017 to ensure the changes are reflected in tax codes for 2018 to 2019.

2.17 Legislate existing overseas scale rates for accommodation and subsistence
As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2018-19' so the existing concessionary travel and subsistence overseas scale rates will be placed on a statutory basis on and after 6 April 2019, to provide clarity and certainty. Employers will only be asked to ensure that employees are undertaking qualifying travel.

This follows the call for evidence on the taxation of employee expenses published on 20 March 2017. The government response will be published on 1 December 2017.

2.18 Abolition of receipt checking for subsistence benchmark scale rates
As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill

2018-19' so employers will no longer be required to check receipts when making payments to employees for subsistence using benchmark scale rates. This administrative easement applies to standard meal allowances paid in respect of qualifying travel and the newly legislated overseas scale rates.

Employers will only be asked to ensure that employees are undertaking qualifying travel. The change will have effect from April 2019. Abolition of receipt checking does not apply to amounts agreed under bespoke scale rates or industry wide rates. This follows the call for evidence on the taxation of employee expenses published on 20 March 2017.

The government response will be published on 1 December 2017.

2.19 Improve guidance on taxation of employee expenses and online process for claiming tax relief on non-reimbursed expenses
As announced at Autumn Budget 2017, HMRC will work with external stakeholders to explore improvements to the guidance on employee expenses, particularly on travel and subsistence, and the claims process for tax relief on employment expenses. This programme of work will also increase simplicity around the process for claiming tax relief and will take action to improve awareness of the process and the rules. This follows the call for evidence on the taxation of employee expenses published on 20 March 2017.

The government response will be published on 1 December 2017.

2.20 Consultation on extending the scope for employees and the self-employed to claim tax relief on self-funded training
As announced at Autumn Budget 2017, the government will consult in 2018 on extending the scope of tax relief currently available to employees and the self-employed for work-related training costs. This follows the call for evidence on the taxation of employee expenses published on 20 March 2017. The government response will be published on 1 December 2017.

2.21 Employment status consultation
As announced at Autumn Budget 2017, the government will publish a consultation as part of its response to Matthew Taylor's review of modern working practices, considering options for reform to make the employment status tests for both employment rights and tax clearer. The government recognises that this is an important and complex issue, and so will work with stakeholders to ensure that any potential changes are considered carefully.

Pensions Tax

2.22 Widening the tax exemption for employer premiums paid into life assurance and overseas pension schemes
As announced at Autumn Budget 2017, the government will legislate in Finance Bill 2018-19 to modernise the tax relief for employer premiums paid into life assurance products or certain overseas pension schemes. This will extend the existing exemption to cover policies when an employee nominates any individual or registered charity to be their beneficiary.

The change will have effect on and after 6 April 2019.

Corporation Tax

2.23 Disincorporation relief
At Budget 2013, the government introduced a disincorporation relief for 5 years from April 2013, which was legislated for in Finance Act 2013. The government will not extend current relief beyond the current 31 March 2018 expiry date.

2.24 R&D Tax Credit increasing certainty for large businesses and increasing awareness amongst small and medium-sized enterprises (SMEs)
As announced at Autumn Budget 2017, the government will pilot a new Advanced Clearance service for R&D expenditure credit claims, to provide pre-filing agreement for 3 years. The government will also launch a campaign to increase awareness of eligibility for R&D tax credits among SMEs, working with businesses that develop and use key emerging technologies to ensure that there are no barriers to them claiming R&D tax credits.

2.25 Securing debt in insolvency: extension of security deposit legislation
As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2018-19' to extend existing security deposit legislation to include corporation tax and Construction Industry Scheme deductions. The change will have effect on and after 6 April 2019. The government will publish a consultation in spring 2018 on the most effective means of introducing this change, including through consolidating existing legislation to cover all heads of duty.

2.26 Accounting changes for leasing: tax responses
The introduction of a new accounting standard for leasing, IFRS 16, creates the need for changes to tax legislation.

The government will publish two consultations on 1 December 2017:

- firstly, on the legislative changes required by the new accounting standard to ensure that the income and corporation tax rules for leased plant and machinery continue to work as they do currently, and on the wider impact of the accounting change for income and corporation tax
- secondly, to evaluate options for the corporation tax treatment of lease payments under the new corporate interest restriction rules at Part 10 of Taxation (International and Other Provisions) Act 2010

2.27 Annual Update to the Energy Technology List and First Year Tax Credits
As announced at Autumn Budget 2017, the government will legislate in Finance Bill 2018-19 to extend First Year Tax Credits (FYTC) for five years and reduce the percentage rate of the claim to two-thirds of the corporation tax rate. The government will also update the energy-saving technology list (ETL) that qualify for this First Year Allowance (FYA).

FYA enables profit-making businesses to deduct the full cost of investments in energy and water technology from their taxable profits. Loss-making businesses do not make profits, so they cannot claim these tax breaks. Instead, loss-making businesses can claim FYTC when they invest in efficient products that feature on the energy and water technology lists.

The ETL will be updated to:

- add three new technologies to the list: evaporative air coolers, saturated steam to electricity conversion and white LED lighting modules for backlit illuminated signs
- modify nine existing technologies to reflect technological advances and changes in standards and clarify the qualifying criteria
- remove Localised Rapid Steam Generators and Biomass fired Warm Air Heaters

These changes update the qualifying criteria to reflect technological advances and changes in standards. The government will legislate by statutory instrument to update the ETL in December 2017.

The changes to FYTC will have effect on and after 1 April 2018.

2.28 First Year Allowances for zero-emission goods vehicles and gas refuelling equipment
The government will extend the First Year Allowances (FYA) for zero-emission goods vehicles and gas refuelling equipment to March/April 2021.

This will allow tax relief for investment on relevant plant and machinery. The change will take place on 1 April 2018. The government will legislate by statutory instrument in December 2017.

2.29 Oil and gas: transferable tax history
As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2018-19' to introduce transferable tax history for oil and gas companies. This follows publication of a discussion document at Spring Budget 2017 on tax issues for late-life oil and gas assets, and the establishment of an expert panel to examine the issue. This change will have effect on and after 1 November 2018.

The government has also published a further document, entitled 'An Outline of Transferable Tax History', which provides an outline of how transferable tax history is intended to work, and sets out a time frame for publication of draft legislation and technical consultation.

2.30 Petroleum Revenue Tax (PRT) treatment of retained decommissioning liabilities
As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2018-19' to amend the PRT rules to enable more flexibility over retention of decommissioning. This follows from the publication of a discussion document at Spring Budget 2017 on tax issues for late-life oil and gas assets, and the establishment of an expert panel to consider the issue.

A technical consultation will be issued in spring 2018.

2.31 Intangible Fixed Asset regime consultation
As announced at Autumn Budget 2017, the government will consult in 2018 on the tax treatment of intellectual property (the Intangible Fixed Asset regime). This will consider whether there is an economic case for targeted changes to this regime, so that it

better supports UK companies investing in intellectual property.

2.32 Corporation tax: non-UK resident companies' UK property income and certain gains
As announced at Autumn Budget 2017, the government will consult in 2018 on the Intangible Fixed Asset regime. This consultation will look again at the regime, which is now more than 15 years old, consider how it encourages growth and whether there are targeted changes that can be made in response to this.

Capital Gains Tax

2.33 Capital gains tax: annual exempt amount
The government will uprate the Capital Gains Tax annual exempt amount line with the Consumer Prices Index from £11,300 for individuals and personal representatives and £5,650 for most trustees of a settlement, to £11,700 and £5,850 respectively.

This will have effect for the tax year 2018 to 2019.

The rates are set out in Annex A - click here.

2.34 Capital gains tax payment window
As announced at Autumn Budget 2017, the government will defer the introduction of the 30-day payment window for gains on residential property disposals until April 2020.

2.35 Taxing non-residents' gains on immovable property
As announced at Autumn Budget 2017, the government has published a consultation on taxing non-residents' gains on immovable property. This measure will broaden the UK's tax base to include disposals of UK commercial property by non-residents, both directly and indirectly, and will bring all companies into charge on disposals of residential property, and all persons into charge on indirect disposals of residential property. A Table of Impacts is included the consultation document.

Legislation will be introduced in 'Finance Bill 2018-19'. The changes will have effect on and after 1 April 2019 for companies, and on and after 6 April 2019 for those in charge to capital gains tax. An anti-forestalling measure to support this reform will have effect on and after 22 November 2017.

2.36 Capital gains tax: Entrepreneurs' relief - relief after dilution of holdings
As announced at Autumn Budget 2017, the government will consult in spring 2018 on how access to the relief might be given to entrepreneurs whose holding in their company is reduced below the normal 5% qualifying level as a result of raising funds for commercial purposes by means of issues of new shares. Allowing relief in these circumstances would incentivise entrepreneurs to remain involved in their businesses after receiving external investment.

Value Added Tax

2.37 VAT: grouping consultation - summary of responses
At Autumn Statement 2016, the government launched a consultation to gather evidence on whether to make changes to UK VAT grouping provisions. The government will publish a summary of responses document on 1 December 2017. The government will consider further the scope of VAT grouping, the issues raised and the impact of any potential changes

2.38 Office of Tax Simplification VAT review
The Office of Tax Simplification (OTS) published their review of the VAT regime on 7 November 2017. The Chancellor has written to the OTS setting out how the Government will respond to the recommendations.

2.39 VAT: no change in registration and deregistration thresholds
As announced at Autumn Budget 2017, the VAT registration and deregistration thresholds will not be uprated for a period of two years. There will be no revisions to existing legislation and no new legal provisions will be introduced.

Therefore legislation will continue as follows:

- the taxable turnover threshold that determines whether a person must be registered for VAT will remain at £85,000
- the taxable turnover threshold that determines whether a person may apply for deregistration will remain at £83,000
- the registration and deregistration threshold for relevant acquisitions from other EU Member States will also remain at £85,000

The two year period ends on 31 March 2020.

The government will consult on the design of the VAT threshold.

2.40 VAT fraud in labour provision in the construction sector
As announced at Autumn Budget 2017, the government will publish a technical consultation on draft legislation for a VAT reverse charge in spring 2018. A final draft of the legislation and guidance will be published by October 2018. This follows conclusion of the consultation announced at Spring Budget 2017. A summary of responses to the consultation will be published on 1 December 2017.

The measure shifts responsibility for paying the VAT along the supply chain to remove the opportunity for it to be stolen. The changes will have effect on and after 1 October 2019.

The long lead-in time reflects the government's commitment to give businesses adequate time to prepare for the changes. The government has decided not to bring in legislative measures highlighted in the consultation to address the fraud in the Construction Industry Scheme. Instead, HMRC is increasing its compliance response to target the fraud there.

2.41 VAT: split payment for online payments
As announced at Autumn Budget 2017, the government will publish on 1 December 2017 a response document to the call for evidence to develop a split payment model that was launched after Spring Budget 2017.

A split payment model would allow VAT to be extracted from online payments in real time. The responses to the call for evidence were broadly positive about the concept but highlighted the complexities of implementation. The response document will set out plans for further engagement with external stakeholders, in preparation for a full consultation in 2018.

2.42 VAT and vouchers
As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2018-19' to implement certain changes in the VAT treatment of vouchers with effect from 1 January 2019. These will simplify the VAT treatment of vouchers, including the point at which they will become subject to VAT, and in some cases their value for taxation. [A consultation paper will be published on 1 December 2017.]

2.43 Call for evidence on VAT and Air Passenger Duty on tourism in Northern Ireland
As announced at Autumn Budget 2017, the government will publish a call for evidence in early 2018 on the impact of VAT and Air Passenger Duty on tourism in Northern Ireland, to report at Budget 2018.

2.44 VAT: imports - postponed accounting
As stated at Autumn Budget 2017, the government recognises that businesses currently benefit from postponed accounting for VAT when importing goods from the EU, as well as the importance of such arrangements to business due to the cash flow advantage they provide. The government will take this into account when considering potential changes following EU exit and will look at options to mitigate any cash-flow impacts for businesses.

Indirect Tax

2.45 Climate Change Levy: main rates
As announced at Autumn Budget 2017, the government will set Climate Change Levy main rates for the tax years 2020 to 2021 and 2021 to 2022 at Budget 2018, with the exception of the rate for liquefied petroleum gas. To ensure better consistency between portable fuels in the off-gas grid market, this rate will be frozen at the tax year 2019 to 2020 level in tax years 2020 to 2021 and 2021 to 2022.

This follows the announcement at Budget 2016 that main rates of Climate Change Levy would increase on 1 April 2019 to recover the tax revenues lost by closing the Carbon Reduction Commitment energy efficiency scheme, with changes to the reduced rates payable by businesses in the Climate Change Agreement scheme. It was also announced that the balance between rates on taxable commodities would be updated to reflect changes in the fuel mix used in electricity generation, starting with an adjustment of the current electricity to gas ratio of 2.9:1 to 2.5:1 in the tax year 2019 to 2020. The government also announced its intention to re-balance the rates to an electricity to gas ratio of 1:1 by 2025 to deliver greater carbon savings.

The main and reduced main rates of Climate Change Levy from 1 April 2017 are set out in Annex A - click here.

2.46 Climate Change Levy: exemptions for mineralogical and metallurgical processes
As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2018-19' to make minor amendments to the way the exemptions from Climate Change Levy for energy used in mineralogical and metallurgical processes are defined.

The scope will remain unchanged, but the changes will ensure the exemptions remain operable after EU exit and address business concerns about how the exemptions apply in landlord–tenant situations. The changes will have effect from spring 2019.

2.47 Aggregates Levy: rates
As announced at Autumn Budget 2017, the rate of Aggregates Levy will be frozen for the tax year 2018 to 2019. The rate has been frozen since 2009 and the government will return to index linking the levy in the longer term. This follows the announcement at Spring Budget 2017 that the rate of Aggregates Levy would remain at £2 per tonne in the tax year 2017 to 2018.

The Aggregates Levy rate on and after 1 April 2017 is set out in Annex A - click here.

2.48 Aggregates Levy: consultation on exemption for laying underground utility pipes
As announced at Autumn Budget 2017, the government has concluded that the case to introduce a new Aggregates Levy exemption for aggregate which is an unavoidable by-product when laying underground utility pipes is not strong enough at this time. This follows consultation in 2016.
A summary of responses to the consultation and the government's response will be published on 1 December 2017.

2.49 Landfill Communities Fund for 2018 to 2019
As announced at Autumn Budget 2017, the government will set the value of the Landfill Communities Fund for 2018 to 2019 at £33.9 million, with the cap on contributions by landfill operators remaining at 5.3% of their Landfill Tax liability.

2.50 Landfill Tax: rates for 2019 to 2020
As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2018-19' to increase the standard and lower rates of Landfill Tax in line with Retail Price Index, rounded to the nearest 5 pence. The change will have effect on and after 1 April 2019.

The rates of Landfill Tax on and after 1 April 2017 are set out in Annex A - click here.

2.51 Call for evidence on single-use plastics waste
As announced at Autumn Budget 2017, the government will launch a call for evidence in early 2018 on how the tax system or charges could help to reduce the amount of single-use plastic waste.

2.52 Carbon Price Support rates for tax year 2020 to 2021
As announced at Autumn Budget 2017, revised indicative Carbon Price Support rates have been published for the tax year 2020 to 2021.

The Carbon Price Support rates between 1 April 2016 and 31 March 2021 are set out in Annex A - click here.

Excise Duties
2.53 VED
As announced at Autumn Budget 2017, the government will exempt zero-emission capable taxis from the VED supplement that applies to expensive cars. The government will consult on how to define zero-emission capable taxis, ahead of implementation in April 2019.

2.54 Heavy Goods Vehicle (HGV) VED and HGV Levy
As announced at Autumn Budget 2017, the government will freeze rates of VED for heavy goods vehicles (HGVs) for the tax year 2018 to 2019, which includes all rates linked to the basic goods rate. HGV Levy rates will also be frozen for the tax year 2018 to 2019. The government will also publish a call for evidence on updating the existing HGV Road User levy.

2.55 Fuel duty rates
As announced at Autumn Budget 2017, fuel duty rates will remain frozen for the tax year 2018 to 2019.

2.56 Rural fuel duty rebate scheme
As announced at Autumn Budget 2017, the rural fuel duty rebate scheme for the Scottish Islands and Isles of Scilly will be extended until 31 October 2023.

2.57 Alternative fuels
As announced at Autumn Budget 2017, the government will review whether existing fuel duty rates for alternatives to petrol and diesel are appropriate ahead of making decisions at Budget 2018. In the meantime, the

government will no longer be bound by the duty escalator policy for liquefied petroleum gas road fuel.

2.58 Alcohol duty rates
As announced at Autumn Budget 2017, the government will freeze all alcohol duty rates. There will be no revisions to existing legislation and no new legal provisions will be introduced.

Rates and allowances are set out in Annex A - click here.

2.59 New cider duty band
As announced at Autumn Budget 2017, the government intends to introduce a new duty band in 2019 for still cider of a strength of at least 6.9% but not exceeding 7.5% alcohol by volume, to encourage the production and consumption of lower-strength ciders. This follows the Alcohol Structures Consultation announced at Spring Budget 2017.

The government's summary of responses to this consultation will be published on 1 December 2017. Legislation will be introduced in Finance Bill 2018-19 and changes will have effect on and after 1 February 2019.

2.60 Wine dilution
HMRC will review the practice of diluting wine and made-wine after excise duty has been calculated. The aim is to prevent wine producers from unfairly reducing the excise duty they pay on the larger volume of diluted product, and create consistency with all other alcohol sectors.

2.61 Gaming duty
The government will publish a consultation in early 2018 on gaming duty return periods to seek views on bringing the administration of gaming duty more into line with the other gambling duties. It will also seek views on removal of the requirement to make payments on account.

SDLT

2.62 Annual tax on enveloped dwellings (ATED) - 2018 to 2019 annual chargeable amounts
The ATED annual charges will rise 3% from 1 April 2018 in line with the September 2017 Consumer Prices Index. A Treasury Order confirming the charges will be published shortly after Budget.

2.63 SDLT: changes to the filing and payment process
At Spring Budget 2017, the government announced that the reduction in the SDLT filing and payment window from 30 days to 14 days would be delayed until after April 2018. The government now confirms that the 14 day filing and payment window will apply to land transactions with an effective date on and after 1 March 2019. The government is planning improvements to the SDLT return that aim to make compliance with the new time limit easier. Legislation will be introduced in 'Finance Bill 2018-19'.

2.64 Stamp Duty, Stamp Duty Reserve Tax (SDRT) and SDLT: resolution of financial institutions
As announced at Autumn Budget 2017, the government will legislate in 'Finance Bill 2018-19' to ensure that Stamp Duty, SDRT and SDLT are not chargeable on exercise of resolution powers under the UK special resolution regime for managing failing financial institutions. The exemption will be limited to the temporary transfer of shares or land to a bridge entity, and the transfer of shares in exchange for temporary certificates issued to creditors that identify their entitlement to the shares. This will simplify and strengthen the process of resolving a failed financial institution and help to ensure that the 'no creditor worse off' principle is upheld.

The change will have effect on and after Royal Assent of Finance Bill 2018-19.

2.65 Stamp Duty and Stamp Duty Reserve Tax: 1.5% charge on the issue of shares
As announced at Autumn Budget 2017, the government will continue not to apply the Stamp Duty and SDRT 1.5% charge on the issue of shares (and transfers integral to capital raising) into overseas clearance services and depositary receipt issuers following the UK's exit from the European Union.

Following a Court of Justice of the European Union judgement in the case of HSBC Holdings PLC and Vidacos Nominee Ltd v Commissioners for HM Revenue & Customs (HMRC) (C569/07) and a subsequent First Tier Tribunal judgement in the case of HSBC Holdings PLC and the Bank of New York Mellon Corporation v Commissioners for HM Revenue & Customs [2012] UKFTT 163 (TC), HMRC accepts that the charge is incompatible with the Capital Duty Directive. GOV.UK guidance - Stamp Duty Reserve Tax: HSBC Holdings PLC and the Bank of New York Mellon Corporation v HMRC - sets out when HMRC does not collect Stamp Duty and SDRT in line with the rulings.

Avoidance and Evasion

2.66 Requirement to notify HMRC of offshore structures

As announced at Autumn Budget 2017, the government will publish a response to the consultation carried out between December 2016 and February 2017 on a proposal to require businesses or intermediaries creating or promoting certain types of complex offshore financial arrangements to notify HMRC of these structures and the details of their clients using these arrangements.

The response document will be published on 1 December 2017. Since the consultation was undertaken, both the Organisation for Economic Co-operation and Development and the European Union have instigated work on similar measures and are considering whether multinational standards would be appropriate to tackle the use of offshore structures for tax evasion purposes. The government is engaging with our international partners and will ensure the responses received for this consultation are fed into this work.

2.67 Extending time limits for offshore non-compliance

As announced at Autumn Budget 2017, the government will the time limits for assessing all offshore cases to at least 12 years where non-compliant behaviour is involved, with a consultation on this in spring 2018. The current time limits are usually 4, 6 or 20 years depending on the behaviour that led to the non-compliance. It can take longer to establish the facts where offshore non-compliance is involved but, at the moment, time limits for onshore and offshore cases are the same. For offshore non-compliance, the time limit will be extended to at least 12 years, whatever the behaviour, to give more time to investigate offshore non-compliance. Where there is deliberate behaviour, the time limit for both onshore and offshore cases remains 20 years.

2.68 Hidden economy: conditionality

As announced at Autumn Budget 2017, the government is committed to tackling the hidden economy by making access to some licences conditional on proving tax registration (when an obligation to register exists).

Conditionality will make it more difficult to trade in the hidden economy, levelling the playing field for compliant businesses. The government will publish a second consultation on conditionality in December 2017 to set out sectors in which this could practically apply.

Final policy design will be confirmed following consultation and the changes will be legislated in a future Finance Bill.

2.69 Insolvency and phoenixism risks

The government will explore further means for tackling the small minority of taxpayers who deliberately abuse the insolvency regime in trying to avoid or evade their tax liabilities, including through the use of phoenixism.

A discussion document will be published in 2018.

Tax Administration

2.70 Simplifying late submission and late payment sanctions

As announced at Autumn Budget 2017, the government will publish a response to the recent consultation on proposals for late submission penalties and reform of sanctions for late payment. This was the most recent of a series of consultations on late payment and late submission sanctions.

The response document will be published on 1 December 2017. Alongside the summary of responses, a further consultation on harmonised interest and late payment sanctions will also be published. The government will be taking forward the points-based model for late submission sanctions through consultation on draft legislation in summer 2018. The government intends to legislate for this model in a future Finance Bill.

2.71 Certificates of Tax Deposit closure
As announced at Autumn Budget 2017, the government has decided that no new Certificates of Tax Deposit can be purchased with effect on and after 23 November 2017. Existing Certificates will continue to be honoured until 23 November 2023. Any certificates remaining after this date should be promptly submitted to HMRC for a refund.

Thereafter, HMRC will seek to repay the balance of any certificate that remains unpaid and unclaimed. If HMRC is unable to do so, for example because the current certificate holder cannot be contacted after reasonable effort, the balance will be regarded as forfeit.

2.72 Making Tax Digital: changing the scope and pace
As announced at Autumn Statement 2015 and confirmed at subsequent fiscal events, the government legislated Making Tax Digital for Business (MTDfB) in Finance (No.2) Act 2017. This legislates to allow HMRC to require certain businesses, self-employed individuals and landlords to keep records digitally and update HMRC on a quarterly basis.

A tax information and impact note was published at Spring Budget 2017. In a Written Ministerial Statement on 13 July 2017, the government announced that only businesses with a turnover above the VAT threshold will be mandated to use MTDfB from April 2019, and then only to meet their VAT obligations.

Businesses with a turnover below the VAT threshold will not be required to use MTDfB from April 2019 but can choose to do so.

An updated statement of impacts will be published on 1 December 2017. The scope of MTDfB will not be widened before the system has been shown to work well and not before April 2020 at the earliest.

2.73 Encouraging compliance by users of digital platforms
As announced at Autumn Budget 2017, the government will explore with digital platforms how their business operating models work and what opportunities there are to promote better tax compliance by their users, before publishing a call for evidence in spring 2018 on what more digital platforms could do to prevent non-compliance among their users. The government has previously put obligations on digital platforms to tackle VAT evasion, and expects digital platforms to play a wider role in ensuring that their users are compliant with the tax rules and to minimise opportunities for their users to unfairly undercut businesses that comply with their tax obligations.

Further Information

This Budget Report was prepared immediately after the Chancellor's Autumn Budget on 22 November 2017 and is based on official press releases and supporting documentation published today.

This publication summarises many, but not necessarily all, of the proposals and new measures issued in the press releases published today – these run to multiple pages.

The press releases and other Government announcements are crown copyright which is duly acknowledged.

The Chancellor's proposals are subject to amendment before the 2017 Finance Act receives Royal Assent.

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