

# The Autumn Statement

Summary of the main taxation and fiscal provisions announced by the Chancellor of the Exchequer on 23 November 2016

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- A portrait of Philip Hammond, the Chancellor of the Exchequer, wearing a dark blue suit, white shirt, and patterned tie. He is looking slightly to the right of the camera with a neutral expression.
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## Introduction

The Chancellor of the Exchequer, Philip Anthony Hammond MP, gave his Autumn Statement on Wednesday 23 November 2016.

The Chancellor: has held office since 13 July 2016. He is the government's chief financial minister and as such is responsible for raising revenue through taxation or borrowing and for controlling public spending. He has overall responsibility for the work of HM Treasury.

The Chancellor's responsibilities cover:

- fiscal policy (including the presenting of the annual Budget)
- monetary policy, setting inflation targets
- ministerial arrangements (in his role as Second Lord of the Treasury)

### This publication

This publication was prepared immediately after the Chancellor's Autumn Statement was presented in the House of Commons. It is based on official press releases and supporting documentation. It summarises many, but not all, of the proposals and new measures issued in the press releases published today.

### The Government's plans for the economy

The Autumn Statement, is not the Budget which is usually presented in March each year. The Autumn Statement provides an update on the Government's plans for the economy based on the latest independent forecasts from the Office for Budget Responsibility (OBR). Traditionally, it focuses on Government spending forecasts rather than taxes and gives the Government the opportunity to outline what it has planned for Britain's economy and public finances based on the latest OBR forecasts.

The forecasts from the Office for Budget Responsibility (OBR) have been published alongside the Autumn Statement today.



The Chancellor in action on 23 November 2016

Speaking to the FT last month, the Chancellor said: *"As we leave the EU, we need to do so in a way that protects the British economy."* He added that deficit reduction would continue, but the pace and "parameters" would be up for review.

### Expectations

Throughout the Autumn Statement, we can expect Interest Rates, NHS and Brexit to be in sharp focus.

Fuel duty was expected to be frozen again, whilst measures aimed at increasing housebuilding were also expected.

## BBC summary of the Main Points

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

- The Chancellor said the government wants to ensure the UK economy is "match-fit" for the transition that will follow the Brexit vote. "So we will maintain our commitment to fiscal discipline", he said, "while recognising the need for investment to drive productivity".
- Philip Hammond paid tribute to former Chancellor George Osborne, saying: "My style will be different from his. I suspect that I will prove no more adept at pulling rabbits from hats than my successor as foreign secretary has been at retrieving balls from the back of scrums... He took over an economy with the highest budget deficit in our post-war history.....and brought it down by two-thirds. That is a record of which he can be proud. But times have moved on. And our task now is to prepare our economy to be resilient as we exit the EU."

- The Chancellor said improving productivity - across the UK - is a key aim, along with protecting fiscal stability. He praised George Osborne, his predecessor, for his work in this area but said "times have moved on".
- The Chancellor said today's OBR forecasts will show growth will be higher than previously thought next year, but just 1.4% in 2018 driven by greater uncertainty and higher inflation. "That is lower than we would like," he said, "but still higher than many of our European neighbours".
- Philip Hammond said the Office for Budget Responsibility forecasts economic growth of:
  - 2.1% in 2016 - down from 2% it forecast before the EU referendum
  - 1.4% in 2017 - down from 2.2%
  - 1.7% in 2018 - down from 2.1%
  - 2.1% in 2019 - down from 2.1%
  - 2.0% in 2020 - down from 2.1%

"While the OBR is clear that it cannot predict the deal the UK will strike with the EU, its current view is that the referendum decision means that potential growth over the forecast period is 2.4 percentage points lower than would otherwise have been the case," the Chancellor said.

- The government has no plan to make further welfare savings funding this parliament, Philip Hammond said to muted reaction from MPs in the House.
- Philip Hammond said the deficit - as measured by public sector net borrowing as a percentage of GDP - will fall from 4% last year to 3.5% this year. It is forecast to continue to fall over the next five years, reaching 0.7% in 2021-22. "This will be the lowest deficit as a share of GDP in two decades," he told MPs.
- Philip Hammond accepted that debt will rise until 2018/19, when it is expected to fall for the first time since 2002 - and it will continue to fall thereafter. However, the Chancellor took the opportunity to bash his shadow counterpart. He said John McDonnell has "outperformed Ed Balls in the fiscal incontinence stakes", and claimed he would be borrowing much more if he was in power.
- The Chancellor reiterated earlier government announcements, saying the government no longer seeks to return the economy to a surplus in 2019/2020. "But the prime minister and I remain firmly committed to seeing the public finances return to balance as soon as practicable, while leaving enough flexibility to support the economy in the near term."
- The government will publish a draft charter for budget responsibility with new fiscal rules. "The public finances should be returned to balance as early as possible in the next parliament, and in the interim cyclically adjusted borrowing should be below 2% by the end of this parliament.

Second, public sector net debt as a share of GDP must be falling by the end of this parliament, and third, that welfare spending must be within a cap set by the government and monitored by the OBR", he added.



- The Chancellor said the UK needs to become more productive, so that wages can rise and people can enjoy higher living standards. To help with that, he announced a National Productivity Investment Fund of £23bn to be spent on innovation and infrastructure over the next five years. "Investing today for the economy of the future," he said.
- Raising productivity is essential for the "high wage, high skill economy we want", Philip Hammond said. "The productivity gap is well known, but shocking nonetheless: we lag the US and Germany by some 30 percentage points. But we also lag France by over 20 and Italy by 8. Which means in the real world, it takes a German worker 4 days to produce what we make in 5; which means, in turn, that too many British workers work longer hours for lower pay than their counterparts," Mr Hammond said.
- Philip Hammond pledged more than £1bn for broadband and 5G - a move trailed earlier this week. "My ambition is for the UK to be a world leader in 5G. That means a full-fibre network; a step-change in speed, security and reliability," he said.
- The government will also offer business rates relief on new fibre infrastructure from April, Mr Hammond added.
- The Chancellor confirmed funding for 40,000 new homes and announced a large-scale pilot to give the right to buy to housing association tenants. "We will focus government infrastructure investment to unlock land for housing with a new £2.3bn Housing Infrastructure Fund to deliver infrastructure for up to 100,000 new homes in areas of high demand. And, to provide affordable housing that supports a wide range of need, we will invest a further £1.4bn to deliver 40,000 additional affordable homes. And I will also relax restrictions on government grant to allow providers to deliver a wider range of housing types," Mr Hammond said.

**More than  
£1bn  
pledged for  
broadband  
and 5G...**

- "I can also announce a large-scale regional pilot of Right to Buy for Housing Association tenants - and continued support for homeownership through the Help to Buy: Equity Loan scheme and the Help to Buy ISA."
- Comic Relief will get £3m from the Tampon Tax Fund to distribute to a range of women's charities, Philip Hammond said. The government announced last year that money raised from charging VAT on tampons would be used to fund women's health and support charities. A campaign had called for the tax to be scrapped, but the government said EU law would not allow it.
- The Chancellor promised a £7.6 m grant for repairs for Wentworth Woodhouse near Rotherham.
- Despite the fiscal pressure, Mr Hammond said the UK needs to meet our commitments to balancing the books, defence spending, helping the world's poorest and the pensioners through the triple lock. But looking forward to the next Parliament, the government will review its plans in light of fiscal developments.
- The Chancellor said the government has no plans to make further welfare savings. "The government has no plans to introduce further welfare savings measures in this parliament beyond those already announced", he said in the Autumn Statement.
- Economic growth in the UK "has been too concentrated in London and the south-east", Chancellor Philip Hammond said, adding we must drive up the productivity performance of our regional cities. "Today we publish our strategy for addressing productivity barriers in the Northern Powerhouse; and give the go ahead to a programme of major roads schemes in the north."
- enterprise partnerships (LEPs) between local authorities and businesses: "We are investing in local infrastructure in every region of England. I can announce the allocation of £1.8bn from the Local Growth Fund to the English regions: £556m to Local Enterprise Partnerships in the North of England, £542m to the Midlands and East of England, and £683m to LEPs in the South West, South East and London."
- He announced devolution measures including a new "City Deal" for Stirling, and said London "will receive £3.15bn as its share of national affordable housing funding to deliver over 90,000 homes".
- Philip Hammond confirmed that corporation tax will be reduced to 17% as planned.
- He is also giving small businesses in rural areas a tax break worth up to £2,900 per year by increasing the Rural Rate Relief.
- The Chancellor added that the Communities Secretary Sajid Javid will announce business rates relief for other companies later today.
- The National Living Wage (NLW) will increase from £7.20 to £7.50 in April next year, the Chancellor confirmed. "That's a pay rise worth over £500 a year to a full-time worker," he said. The NLW has replaced the minimum wage for workers aged over 25.
- The Chancellor confirmed the government will still raise the personal allowance to £12,500, and the threshold for the higher tax rate to £50,000, by the end of this Parliament. The personal allowance - the amount people earn before they start paying income tax - will rise to £11,500 in April, he said.
- Philip Hammond has promised to freeze fuel duty, which had been due to rise for the seventh successive year, following higher oil prices that have pushed up petrol prices. "In total this saves the average car driver £150 a year, and the average van driver £350 a year," he said. This amounts to a tax cut worth £850m next year, the Chancellor added.
- Some explanation of the "drama" at the end of Mr Hammond's speech. He said the Autumn Statement will be scrapped - to cheers in the House (and the business newsroom too). But wait, there's more. It's actually a switch. From next year, the Autumn Statement will become the main Budget. And then from Spring 2018 onwards - when we would normally get the Budget - that'll be downgraded to a fiscal statement. Confused? Here are the Chancellor's own words: "So the spring Budget in a few months will be the final spring Budget. Starting in Autumn 2017, Britain will have an Autumn Budget, announcing tax changes well in advance of the start of the tax year. From 2018 there will be a Spring Statement, responding to the forecast from the OBR, but no major fiscal event."
- The government is committed to removing disguised tax benefits for employees in the previous budget, said the Chancellor - and now the self-employed and employers won't be able to use the VAT flat-rate scheme inappropriately, Mr Hammond added. "We will abolish the tax advantages linked to employee shareholder status in response to growing evidence that it is being primarily used for tax planning purposes by high-earning individuals," he said.
- There will be a new penalty for implementing tax avoidance scheme that is challenged and defeated by HMRC. He added: "There is understandable public concern that the pitch is tilted in favour of large multinational groups, which are able to use cross-border structures to manage their tax liabilities."
- The government will implement a restriction on tax relief for corporate interest expenses, and reform relief for historic losses, he said.

***The National Living Wage will increase from £7.20 to £7.50 in April next year.***

## Selected Downloads

### Autumn Statement 2016

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/571559/autumn\\_statement\\_2016\\_web.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/571559/autumn_statement_2016_web.pdf)

### Autumn Statement 2016: Summary of some things announced

<https://www.gov.uk/government/news/autumn-statement-2016-some-of-the-things-weve-announced>

### Regulations implementing a new regulatory and tax framework for Insurance Linked Securities

<https://www.gov.uk/government/consultations/regulations-implementing-a-new-regulatory-and-tax-framework-for-insurance-linked-securities>

### Reducing the money purchase annual allowance

<https://www.gov.uk/government/consultations/reducing-the-money-purchase-annual-allowance>

### Petroleum Revenue Tax: cutting administration costs for the oil industry - technical note

<https://www.gov.uk/government/publications/petroleum-revenue-tax-cutting-administration-costs-for-the-oil-industry-technical-note>

### Tackling aggressive abuse of the VAT Flat Rate Scheme - technical note

<https://www.gov.uk/government/publications/tackling-aggressive-abuse-of-the-vat-flat-rate-scheme-technical-note>

### Capital allowances: first-year allowance for electric charge points

<https://www.gov.uk/government/publications/capital-allowances-first-year-allowance-for-electric-charge-points>

### Income Tax and Capital Gains Tax: employee shareholder status

<https://www.gov.uk/government/publications/income-tax-and-capital-gains-tax-employee-shareholder-status>

## Autumn Statement 2016: tax updates and technical changes

### Source:

<https://www.gov.uk/government/publications/autumn-statement-2016-tax-updates-and-technical-changes/autumn-statement-2016-tax-updates-and-technical-changes--2>

### Introduction

Autumn Statement 2016 sets out the economic context and the government's fiscal strategy, and announces policy changes to implement it.

This section supplements Autumn Statement with updates on tax consultations, confirms standard uprating changes, and announces technical changes to tax legislation where no substantive change is being made to the policy.

It aims to provide information about ongoing development of government policies that are of relevance primarily to tax professionals and specialists. The overview of legislation in draft, providing further information on all tax changes and updates on all tax consultations, will be published on 5 December 2016. Draft Finance Bill clauses, explanatory notes, tax information and impact notes, and responses to consultations will also be published on this date.

### 1. Personal tax

#### 1.1 Simplifying the Pay as You Earn Settlement Agreement (PSA) process

As announced at Budget 2016 and following consultation, the government will legislate in Finance Bill 2017 to simplify the process for applying for and agreeing PSAs. This will have effect in relation to agreements for the 2018 to 2019 tax year and subsequent tax years.

#### 1.2 Dates for 'making good' on benefits in kind

As announced at Budget 2016 and following consultation, the government will legislate in Finance Bill 2017 to ensure an employee who wants to 'make good', on a non-payrolled benefit in kind will have to make the payment to their employer by 6 July in the following tax year.

'Making good' is where the employee makes a payment in return for the benefit in kind they receive. This reduces its taxable value. This will have effect from April 2017.

**1.3 Assets made available without transfer of ownership**

The government will introduce provisions in Finance Bill 2017 to clarify existing legislation so that employees will only be taxed on business assets for the period that the asset is made available for their private use. This will take effect from 6 April 2017.

**1.4 Life insurance policies**

As announced at Budget 2016 and following consultation, the government will legislate in Finance Bill 2017 regarding the disproportionate tax charges that arise in certain circumstances from life insurance policy part-surrenders and part-assignments. This will allow applications to be made to HM Revenue and Customs (HMRC) to have the charge recalculated on a just and reasonable basis. This will lead to fairer outcomes for policyholders.

The changes will take effect from 6 April 2017.

**1.5 Personal Portfolio Bonds**

As announced at Budget 2016 and following consultation, the government will legislate in Finance Bill 2017 to take a power to amend by regulations the list of assets that life insurance policyholders can invest in without triggering tax anti-avoidance rules. The changes will take effect on Royal Assent of Finance Bill 2017.

**1.6 Junior Individual Savings Accounts (ISAs) and Child Trust Fund limit**

The annual subscription limit for Junior ISAs and Child Trust Funds will be uprated in line with the Consumer Prices Index (CPI) to £4,128, alongside the ISA subscription limit increase from £15,240 to £20,000, which was previously announced at Budget 2016. This will be effective from 6 April 2017.

**2. Business tax****2.1 Northern Ireland Corporation Tax**

The government will amend the Northern Ireland Corporation Tax regime in Finance Bill 2017 to give all small and medium sized enterprises (SMEs) trading in Northern Ireland the potential to benefit. Other amendments will minimise the risk of abuse and ensure the regime is prepared for commencement if the Northern Ireland Executive demonstrates its finances are on a sustainable footing.

**2.2 Corporation Tax deduction for contributions to grassroots sport**

As announced at Autumn Statement 2015 and following consultation, in Finance Bill 2017 the government will expand the circumstances in which companies can get Corporation Tax

deductions for contributions to grassroots sports from 1 April 2017.

**2.3 Patent Box rules**

The government will legislate in Finance Bill 2017 to add specific provisions to the Patent Box rules, covering the case where Research and Development (R&D) is undertaken collaboratively by 2 or more companies under a 'cost sharing arrangement'. The provisions ensure that such companies are neither penalised nor able to gain an advantage under these rules by organising their R&D in this way. This will have effect for accounting periods commencing on or after 1 April 2017.

**2.4 Authorised contractual schemes: reducing tax complexity for investors in co-ownership authorised contractual schemes**

As announced at Budget 2016 and following consultation, the government will introduce legislation in Finance Bill 2017 and secondary legislation to clarify the rules on capital allowances, chargeable gains and investments by co-ownership authorised contractual schemes (CoACS) in offshore funds, as well as information requirements on the operators of CoACS.

**2.5 Hybrids and other mismatches**

The government will legislate in Finance Bill 2017 to make minor changes to ensure that the hybrid and other mismatches legislation works as intended. The changes will have effect from 1 January 2017.

**2.6 Annual Tax on Enveloped Dwellings**

The annual charges for the Annual Tax on Enveloped Dwellings (ATED) will rise in line with inflation for the 2017 to 2018 chargeable period.

**2.7 Clarification of tax treatment for partnerships**

Following consultation, the government will legislate to clarify and improve certain aspects of partnership taxation to ensure profit allocations to partners are fairly calculated for tax purposes. Draft legislation will be published for technical consultation.

**2.8 Tax-advantaged venture capital schemes**

In Finance Bill 2017 the government will amend the requirements for the tax-advantaged venture capital schemes – the Enterprise Investment Scheme (EIS), the Seed Enterprise Investment Scheme (SEIS) and Venture Capital Trusts (VCTs) to:

- clarify the EIS and SEIS rules for share conversion rights, for shares issued on or after 5 December

- provide additional flexibility for follow-on investments made by VCTs in companies with certain group structures to align with EIS provisions, for investments made on or after 6 April 2017
- introduce a power to enable VCT regulations to be made in relation to certain shares for share exchanges to provide greater certainty to VCTs
- a consultation will be carried out into options to streamline and prioritise the advance assurance service

The government will not be introducing flexibility for replacement capital within the tax-advantaged venture capital schemes at this time, and will review this over the longer term.

### 3. Energy and transport taxes

#### 3.1 Landfill Tax: definition of taxable disposal

As announced at Budget 2016 and following consultation, the government will amend the definition of a taxable disposal for Landfill Tax purposes in Finance Bill 2017. This will bring greater clarity and certainty for taxpayers on the Landfill Tax liability of activities carried out at a landfill site. This will come into effect after Royal Assent of Finance Bill 2017, on a day to be appointed by Treasury Order.

### 4. Indirect taxes

#### 4.1 Freeplays in Remote Gaming Duty

Following the consultation announced at Budget 2016, the government will legislate in Finance Bill 2017 to bring the tax treatment of freeplays for remote gaming more in line with the treatment for free bets under General Betting Duty. The changes will take effect for accounting periods beginning on or after 1 August 2017.

#### 4.2 Tobacco Illicit Trade Protocol: licensing of tobacco machinery and the supply chain

Following consultation the government will legislate in Finance Bill 2017 to introduce a licensing scheme for tobacco machinery to allow officials to quickly determine whether machines are being held legally. Applications for licences will be accepted from January 2018 and the scheme will come into force on 1 April 2018.

#### 4.3 Implementation of the Fulfilment House Due Diligence Scheme

As announced at Budget 2016 and following a consultation on the scope and design of the scheme, the government will legislate in Finance Bill 2017 to introduce a new Fulfilment House Due Diligence Scheme in 2018. This will ensure that fulfilment houses play their part

in tackling VAT abuse by some overseas businesses selling goods via online marketplaces. The scheme will open for registration in April 2018.

### 5. Tax administration

#### 5.1 Increased HMRC external performance reporting

From next year HMRC will publish its customer service performance data more regularly and in greater detail. This will include the monthly publication of digital, telephony and postal performance data, as well as new customer complaints data.

### 6. Avoidance and evasion

#### 6.1 Updating the VAT Avoidance Disclosure Regime

As announced at Budget 2016 and following consultation, legislation will be introduced in Finance Bill 2017 to strengthen the regime for disclosure of avoidance of indirect tax. Provision will be made to make scheme promoters primarily responsible for disclosing schemes to HMRC and the scope of the regime will be extended to include all indirect taxes.

This will have effect from 1 September 2017.

#### 6.2 A penalty for participating in VAT fraud

As announced at Budget 2016 and following consultation, the government will legislate in Finance Bill 2017 to introduce a new and more effective penalty for participating in VAT fraud. It will be applied to businesses and company officers when they knew or should have known that their transactions were connected with VAT fraud. The penalty will improve the application of penalties to those facilitating orchestrated VAT fraud. The new penalty will be a fixed rate penalty of 30% for participants in VAT fraud.

This will be implemented following Royal Assent of the Finance Bill 2017.

#### 6.3 Power to examine and take account of goods at any place

The government will introduce legislation in Finance Bill 2017 to extend the current customs and excise powers of inspection. This will amend the Customs and Excise Management Act 1979 and enable officers to examine goods away from approved premises such as airports and ports, to search goods liable for forfeiture and open or unpack any container. This will take effect from Royal Assent of the Finance Bill 2017.

## Detailed measures announced by the Chancellor

### Continuing to bring down the deficit

#### 1. New economic forecast

The UK economy is forecast to be the fastest growing major economy in 2016, but the Office for Budget Responsibility has forecast growth to slow and inflation to rise over the next two years.

But growth remains positive and employment continues to rise in each of the next 5 years, with half a million more people forecast to be in work by 2021.

#### 2. Debt falling by 2020

The government has cut borrowing by nearly two-thirds since 2010, but will no longer aim for a budget surplus (where more tax is raised than is spent) by 2019.

New fiscal targets are needed to provide the flexibility to support the economy and create space for more investment in roads, rail, research, and housing.

The government has therefore set new fiscal targets which aim for 2% underlying deficit and debt falling by 2020, and a balanced budget as soon as possible thereafter.

### Building an economy that works for all

#### 3. Fuel duty will remain frozen for a seventh year

In 2017, fuel duty will remain frozen for the seventh successive year, saving drivers £130 a year on average.

#### 4. A new three-year NS&I Investment Bond available from spring 2017

To support savers, NS&I will offer a new three-year Investment Bond with an indicative rate of 2.2% from spring 2017. The bond will offer the flexibility to put away between £100 and £3,000 and be available to those aged 16 or over.

#### 5. Committing to raise the Personal Allowance to £12,500 and the Higher Rate Threshold to £50,000 by 2020-21

The Personal Allowance is the amount of income you can earn before you start paying income tax. It is currently £11,000 this year, and will rise to

£11,500 in 2017-18. The point at which you pay the higher rate of income tax will increase from £43,000 this year, to £45,000 in 2017-18.

Once the Personal Allowance reaches £12,500, it will increase in line with inflation.

#### 6. The National Living Wage and the National Minimum Wage will increase from April 2017

The National Living Wage for those aged 25 and over will increase from £7.20 per hour to £7.50 per hour. That means over £1,400 a year more for a full-time worker previously on the National Minimum Wage.

The National Minimum Wage will also increase:

- for 21 to 24 year olds – from £6.95 per hour to £7.05
- for 18 to 20 year olds – from £5.55 per hour to £5.60
- for 16 to 17 year olds – from £4.00 per hour to £4.05
- for apprentices – from £3.40 per hour to £3.50

And £4.3 million will be spent on:

- helping small businesses to understand the rules
- cracking down on employers who are breaking the law by not paying the minimum wage

#### 7. The Universal Credit taper will be reduced from 65% to 63% from April 2017

In Universal Credit, as a person's income increases, their benefit payments are gradually reduced. The taper rate calculates the reduction in benefits as a person's salary increases.

Currently, for every £1 earned after tax above an income threshold, a person receiving Universal Credit has their benefit award reduced by 65p and keeps 35p. They will now keep 37p for every £1, from April 2017.

Three million households will benefit from this change:

- a single parent with one child and not receiving support with their housing costs earning £15,000 a year will benefit by £170 a year
- a couple with two children receiving support with their housing costs, where one parent earns £30,000 a year, will benefit by £425 a year
- a disabled person receiving support with their housing costs and earning £12,000 a year will benefit by £180 a year

### **8. A ban on letting agents charging fees to renters**

Letting agents will no longer be able to charge renters fees, for example when they sign a new tenancy agreement. This will stop tenants being hit with fees averaging £223 per tenancy.

The government will consult on this in due course.

### **9. Cracking down on pensions' scams**

A consultation before Christmas will look at ways to tackle pensions' scams, including banning businesses from cold calling someone about their pension. This includes scammers targeting people who inadvertently 'opt-in' to receiving third party communications.

### **10. Over £102 million of LIBOR banking fines to support armed forces and emergency services charities**

LIBOR fines are collected from banks who break banking rules, and are given directly to causes benefitting armed forces and emergency services charities.

£102 million will go to more than 100 projects supporting armed forces personnel, their families and veterans; emergency service personnel; children's hospitals, air ambulances and emergency responders; and museums and memorials, over the next 4 years.

### **Investing in infrastructure and innovation to improve long-term productivity**

#### **11. A new National Productivity Investment Fund to provide £23 billion of additional spending, ensuring the UK's economy is fit for the future**

The National Productivity Investment Fund (NPIF) will provide major additional spending in areas that are key to boosting productivity: transport, digital communications, research and development (R&D), and housing.

#### **12. £2.3 billion for a new Housing Infrastructure Fund**

The fund will be used for projects such as roads and water connections that will support the construction of up to 100,000 new homes in the areas where they are needed most.

On top of that, £1.4 billion will be used to provide 40,000 new affordable homes, including some for shared ownership and some for affordable rent. And another £1.7 billion

will be used to speed up the construction of new homes on public sector land.

#### **13. £390 million investment in future transport technology**

£390 million will go to future transport technology, including driverless cars, renewable fuels and energy efficient transport. This will include:

- £100 million investment in testing infrastructure for driverless cars
- £150 million to provide at least 550 new electric and hydrogen buses, reduce the emissions of 1,500 existing buses and support taxis to become zero emission
- £80 million to install more charging points for ultra-low emission vehicles



#### **14. A major new investment in transport infrastructure**

As part of the National Productivity Investment Fund, this will cover:

- £1.1 billion to reduce congestion and upgrade local roads and public transport
- £220 million to tackle road safety and congestion on Highways England roads
- £27 million to develop an expressway connecting Oxford and Cambridge

There will also be a two-year 100% first year allowance for companies who install electric charge-points, coming in from today. This allows companies to deduct the cost of the charge-point from their pre-tax profits in that year.

And £450 million will also be spent on trialling railway digital signalling technology which will expand capacity and improve reliability.

## **15. £1 billion to invest in full-fibre broadband and trialling 5G networks**

Investment will support the private sector to roll out more full-fibre broadband by 2020-21. Funding will also support trials of 5G mobile communications.

And from April 2017, the government will also provide a new 100% business rates relief for new full-fibre infrastructure for a 5 year period.

## **16. £2 billion more per year in research and development funding by 2020-21**

A major increase in research and development funding for universities and businesses with R&D projects to help the UK remain an attractive place for businesses to invest in innovative research.

This will back scientific research and development of technologies such as robotics, artificial intelligence and industrial biotechnology.

## **17. More money for Scotland, Wales and Northern Ireland**

Scotland, Wales and Northern Ireland will receive more money which can be spent on infrastructure projects, with each devolved administration deciding where this will be spent.

This will be an increase of over £800 million for the Scottish Government, over £400 million for the Welsh Government and over £250 million for the Northern Ireland Executive.

## **18. Expanding the museums and galleries tax relief**

The new museums and galleries tax relief will be expanded to include permanent exhibitions. The new tax relief, which starts in April 2017, was originally only intended to be available for temporary and touring exhibitions.

The rates of relief will be set at 20% for non-touring exhibitions and 25% for touring exhibitions.

The relief will be capped at £500,000 of qualifying expenditure per exhibition.

## **19. Over £10 million to support culture and heritage projects across the UK**

£7.6 million will cover urgent and essential repairs to the heritage house, Wentworth Woodhouse in South Yorkshire.

Other cultural projects will also be supported, including:

- £850,000 for a Royal Society of the Arts pilot to promote cultural education in schools
- £1.6 million to help complete Studio 144, an arts complex in Southampton, including an auditorium, studio, and gallery
- £1 million towards the development of a new creative media centre in Plymouth

## **Providing certainty for businesses**

### **20. Committing to cutting corporation tax to 17% by 2020**

The main rate of corporation tax has already been cut from 28% in 2010 to 20%, and will be cut again to 17% by 2020, by far the lowest in the G20 and benefitting over 1 million businesses.

### **21. £400 million through the British Business Bank to invest in growing innovative firms**

The funds will be invested in innovative small businesses with potential for growth, to provide the finance that they need to expand. This will support up to £1 billion of new investment.

### **22. Rural Rate Relief will increase to 100%**

Rural rate relief will increase from 50 to 100% in April 2017, saving a business up to £2,900 a year. This business rate relief is available to businesses in rural areas with a population under 3,000, where that business is:

- the only village shop or post office with a rateable value of up to £8,500, or
- the only public house or petrol station with a rateable value of up to £12,500



**A fair and sustainable tax system**

**23. Cracking down on tax avoiders and those who help them**

A new penalty is being introduced for those helping someone else to use a tax avoidance scheme. Tax avoiders are hit with significant bills when HMRC defeats their avoidance scheme, this new penalty will ensure that those who help them will also face the consequences.

Also, tax avoiders will not be able to claim as a defence against penalties that relying on non-independent tax advice is taking reasonable care.

**24. Salary sacrifice schemes will be taxed more fairly**

From April 2017, most salary sacrifice schemes will be subject to the same tax as cash income. In salary sacrifice schemes, employees exchange some of their salary for a non-cash benefit in kind (such as a mobile phone). Both the employer and employee make a tax saving, because the benefit is taxed less than a salary or not taxed at all.

This will affect types of salary sacrifice schemes differently:

- pensions, pensions advice, childcare, Cycle to Work and ultra-low emission cars will be exempt
- all arrangements in place before April 2017 will be protected for up to a year, and arrangements in place before April 2017 for cars, accommodation and school fees will be protected for up to 4 years

**25. Insurance Premium Tax will increase by 2% from 1 June 2017**

Insurance Premium Tax (IPT) will increase from 10% to 12%. IPT is a tax on insurers and it is up to them whether and how to pass on costs to customers.

# Tax Tables

## Personal tax and benefits

### Income tax bands of taxable income (£ per year)

	Tax year 2016-17	Tax year 2017-18
Basic rate	£0-32,000	£0-33,500
Higher rate	£32,001-150,000	£33,500-150,000
Additional rate	Over £150,000	Over £150,000

### Income tax rates - 2016-17

#### Main rates <sup>1</sup>

Basic rate	20%
Higher rate	40%
Additional rate	45%

#### Dividend rates <sup>2</sup>

Dividend ordinary rate - for dividends otherwise taxable at the basic rate	7.5%
Dividend upper rate - for dividends otherwise taxable at the higher rate	32.5%
Dividend additional rate - for dividends otherwise taxable at the additional rate	38.1%

### Income tax rates - 2017-18

#### Main rates <sup>3</sup>

Basic rate	20%
Higher rate	40%
Additional rate	45%

#### Savings rates <sup>4</sup>

Starting rate for savings	0%
Savings basic rate	20%
Savings higher rate	40%
Savings additional rate	45%

#### Dividend rates <sup>5</sup>

Dividend ordinary rate - for dividends otherwise taxable at the basic rate	7.5%
Dividend upper rate - for dividends otherwise taxable at the higher rate	32.5%
Dividend additional rate - for dividends otherwise taxable at the additional rate	38.1%

#### Default rates <sup>6</sup>

Default basic rate	20%
Default higher rate	40%
Default additional rate	45%

### Starting rates for savings income

	Tax year 2016-17	Tax year 2017-18
Starting rate for savings	0%	0%
Starting rate limit for savings	£5,000	£5,000

### Special rates for trustees' income

	Tax year 2016-17	Tax year 2017-18
Standard rate on first £1,000 of income which would otherwise be taxable at the special rates for trustees	Up to 20%, depends on the type of income	Up to 20%, depends on the type of income
Trust rate	45%	45%
Dividend trust rate	38.1%	38.1%

**Income tax allowances**

	Tax year 2016-17	Tax year 2017-18
Personal allowance		
Personal allowance <sup>7</sup>	£11,000	£11,500
Income limit for personal allowance	£100,000	£100,000
Income limit for Married couple's allowance <sup>8</sup>	£27,700	£28,000
Marriage allowance		
Marriage allowance <sup>9</sup>	£1,100	£1,150
Married couple's allowance for those born before 6 April 1935		
Maximum amount of married couple's allowance <sup>10</sup>	£8,355	£8,445
Minimum amount of married couple's allowance <sup>10</sup>	£3,220	£3,260
Blind person's allowance		
Blind person's allowance	£2,290	£2,320
Dividend allowance		
Dividend allowance <sup>11</sup>	£5,000	£5,000
Personal savings allowance		
Personal savings allowance for basic rate taxpayers <sup>12</sup>	£1,000	£1,000
Personal savings allowance for higher rate taxpayers <sup>12</sup>	£500	£500

**National Insurance Contributions (NIC)**
**Class 1 NICs: Employee and employer rates and thresholds (£ per week)**

	Tax year 2016-17	Tax year 2017-18
Weekly Lower Earnings Limit (LEL) <sup>13</sup>	112	113
Weekly Primary Threshold (PT) <sup>13</sup>	155	157
Weekly Secondary Threshold (ST) <sup>14</sup>	156	157
Upper Earnings Limit (UEL) <sup>15</sup>	827	866
Upper Secondary Threshold for under 21s <sup>15</sup>	827	866
Apprentice Upper Secondary Threshold (AUST) for under 25s <sup>15</sup>	827	866
Employment Allowance (per employer)	3,000 per year	3,000 per year

Employee's (primary) Class 1 contribution rates	Tax year 2016-17	Tax year 2017-18
<b>Earnings band <sup>16</sup></b>	NIC rate (per cent)	NIC rate (per cent)
Below LEL	0	0
LEL - PT <sup>17</sup>	0	0
PT- UEL	12	12
Above UEL	2	2

Married woman's reduced rate for (primary) Class 1 contribution rates	Tax year 2016-17	Tax year 2017-18
Weekly earnings from between the PT and UEL	5.85	5.85
Weekly earnings from above UEL	2	2

Employer's (secondary) Class 1 contribution rates	Tax year 2016-17	Tax year 2017-18
<b>Earnings band <sup>18</sup></b>		
Below ST	0	0
Above ST	13.8	13.8

<b>Employer's (secondary) Class 1 contribution rates for employees under 21</b>	<b>Tax year 2016-17</b>	<b>Tax year 2017-18</b>
Earnings band <a href="#">19</a>		
Below UST	0	0
Above UST	13.8	13.8

<b>Employer's (secondary) Class 1 contribution rates for Apprentices under 25</b>	<b>Tax year 2016-17</b>	<b>Tax year 2017-18</b>
Earnings band <a href="#">20</a>		
Below AUST	0	0
Above AUST	13.8	13.8

**Class 2 NICs: Self-employed rates and thresholds (£ per week)**

Small Profits Threshold (SPT) <a href="#">13</a>	<b>Tax year 2016-17</b> 5,965 per year	<b>Tax year 2017-18</b> 6,025 per year
Class 2 contribution rates <a href="#">13</a>	<b>Tax year 2016-17</b>	<b>Tax year 2017-18</b>
Annual Profits (£ a year) <a href="#">21</a>	£ per week	£ per week
Below SPT	0	0
Above SPT <a href="#">22</a>	2.80	2.85
Special Class 2 rate for share fishermen	3.45	3.50
Special Class 2 rate for volunteer development workers	5.60	5.65

**Class 3 NICs: Other rates and thresholds (£ per week)**

Voluntary contributions <a href="#">13</a> <a href="#">23</a>	<b>Tax year 2016-17</b> 14.10	<b>Tax year 2017-18</b> 14.25
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**Class 4 NICs: Self-employed rates and thresholds (£ per year)**

Lower Profits Limit (LPL) <a href="#">13</a>	<b>Tax year 2016-17</b> 8,060	<b>Tax year 2017-18</b> 8,164
Upper Profits Limit (UPL) <a href="#">15</a>	43,000	45,000
Class 4 contribution rates	<b>Tax year 2016-17</b>	<b>Tax year 2017-18</b>
Annual profits band <a href="#">24</a>	NIC rate (per cent)	NIC rate (per cent)
Below LPL	0	0
LPL to UPL	9	9
Above UPL	2	2

## Working and Child tax credits, child benefit and guardian's allowance

### Working and child tax credits

£ per year (unless stated)	Tax year 2016-17	Tax year 2017-18
<b>Working tax credit</b>		
Basic element	£1,960	£1,960
Couple and lone parent element	£2,010	£2,010
30 hour element	£810	£810
Disabled worker element	£2,970	£3,000
Severe disability element	£1,275	£1,290
<b>Childcare element of the working tax credit</b>		
Maximum eligible cost for one child	£175 per week	£175 per week
Maximum eligible cost for two or more children	£300 per week	£300 per week
Percentage of eligible costs covered	70%	70%
<b>Child tax credit</b>		
Family element	£545	£545
Child element	£2,780	£2,780
Disabled child element	£3,140	£3,175
Severely disabled child element	£1,275	£1,290
<b>Income thresholds and withdrawal rates</b>		
Income threshold	£6,420	£6,420
Withdrawal rate (per cent)	41%	41%
First threshold for those entitled to child tax credit only	£16,105	£16,105
Income rise disregard	£2,500	£2,500
Income fall disregard	£2,500	£2,500

### Child benefit (£ per week)

	Tax year 2016-17	Tax year 2017-18
Eldest/only child	£20.70	£20.70
Other children	£13.70	£13.70
<b>Guardians allowance (£ per week)</b>		
Guardians allowance	£16.55	£16.70

### Tax free savings accounts

	Tax year 2016-17	Tax year 2017-18
Individual Savings Account (ISA) subscription limit	£15,240	£20,000
Junior ISA subscription limit	£4,080	£4,128
Child Trust Fund (CTF) subscription limit	£4,080	£4,128

### Fuel benefit and van benefit charge

	Tax year 2016-17	Tax year 2017-18
Car fuel benefit charge multiplier	£22,200	£22,600
Van fuel benefit charge	£598	£610
Van benefit charge	£3,170	£3,230

## Notes and Explanations (with hyperlinks)

1. Apply to non-dividend income, including income from savings, employment, property or pensions. From 2017-18, the main rates will be separated into the main rates, the savings rates and the default rates [↪](#)
2. Apply to dividend income received above the £5,000 tax-free Dividend Allowance, introduced in April 2016 to replace the Dividend Tax Credit [↪](#)
3. Apply to non-savings, non-dividend income, including income from employment, property or pensions not subject to the Scottish Rate of income tax [↪](#)
4. Apply to savings income [↪](#)
5. Apply to dividend income received above the £5,000 tax-free Dividend Allowance, introduced in April 2016 to replace the previous Dividend Tax Credit [↪](#)
6. Apply to non-savings and non-dividend income of any taxpayer that is not subject to either the Main rates or the Scottish Rates of income tax [↪](#)
7. The Personal Allowance reduces where the income is above £100,000 – by £1 for every £2 of income above the £100,000 limit. This reduction applies irrespective of date of birth [↪](#)
8. This age-related allowance is reduced by £1 for every £2 of income over this limit [↪](#)
9. This transferable allowance is available to married couples and civil partners who are not in receipt of married couple's allowance. A spouse or civil partner who is not liable to income tax; or not liable at the higher or additional rates, can transfer this amount of their unused personal allowance to their spouse or civil partner. The recipient must not be liable to income tax at the higher or additional rates [↪](#)
10. The relief for this allowance is given at 10%. [↪](#) [↪](#)<sup>2</sup>
11. From April 2016, the new Dividend Allowance means that individuals will not have to pay tax on the first £5,000 of dividend income they receive [↪](#)
12. From April 2016, the new Personal Savings Allowance means that basic rate taxpayers will not have to pay tax on the first £1,000 of savings income they receive and higher rate taxpayers will not have tax to pay on their first £500 of savings income. [↪](#) [↪](#)<sup>2</sup>
13. Upated by CPI [↪](#) [↪](#)<sup>2</sup> [↪](#)<sup>3</sup> [↪](#)<sup>4</sup> [↪](#)<sup>5</sup> [↪](#)<sup>6</sup>
14. Autumn Statement 2016 announced that the Secondary Threshold would be aligned with the Primary Threshold. From April 2018 onwards, it will be upated in line with CPI [↪](#)
15. These thresholds are upated in line with the Higher Rate Threshold to maintain alignment between the Upper Earnings Limit and Higher Rate Threshold [↪](#) [↪](#)<sup>2</sup> [↪](#)<sup>3</sup> [↪](#)<sup>4</sup>
16. The limits are defined as LEL - Lower Earnings Limit; PT - Primary Threshold; and UEL - Upper Earnings Limit [↪](#)
17. No National Insurance contributions (NICs) are actually payable but a notional Class 1 NIC is deemed to have been paid in respect of earnings between the LEL and PT to protect contributory benefit entitlement. [↪](#)
18. The limit is defined as ST – Secondary Threshold [↪](#)
19. The limit is defined as UST – Upper Secondary Threshold [↪](#)
20. The limit is defined as AUST – Apprentice Upper Secondary Threshold [↪](#)
21. The Limit is defined as SPT – Small Profits Threshold [↪](#)
22. Class 2 NICs are liable to be paid by all self-employed persons with profits above the Small Profits Threshold (SPT). The self-employed may choose to pay Class 2 if their profits are below the SPT [↪](#)
23. Class 3 NICs can be paid by contributors to make the year a qualifying year for the basic State Pension (new State Pension from 6 April 2016) and Bereavement Benefit purposes [↪](#)
24. These limits are defined as LPL – Lower Profits Limit; and UPL – Upper Profits Limit [↪](#)

## Corporation Tax Rates

The rates of Corporation Tax are shown below.

From 1 April 2015, there is a single CT rate of 20% for non-ring fence profits.

The Government has set the CT main rate (for all profits except ring fence profits) at 20% for the year starting 1 April 2016. At Summer Budget 2015, the Government announced legislation setting the Corporation Tax main rate (for all profits except ring fence profits) at 19% for the years starting the 1 April 2017, 2018 and 2019 and at 17% for the year starting 1 April 2020.

## Pensions and Pension Contributions

## PENSIONS - ANNUAL AND LIFETIME ALLOWANCES

Tax Year	Annual Allowance	Lifetime Allowance
2006-07	£215,000	£1,500,000
2007-08	£225,000	£1,600,000
2008-09	£235,000	£1,650,000
2009-10	£245,000	£1,750,000
2010-11	£255,000	£1,800,000
2011-12	£50,000	£1,800,000
2012-13 and 2013-14	£50,000	£1,500,000
2014-15 and 2015-16	£40,000	£1,250,000
2016-17 onwards	£40,000	£1,000,000

## NOTES

- (a) *Tax relief* – There is no limit on the amount that you can pay into your personal pension and any other pension plans you have, but there is no tax relief on payments over a certain amount. HMRC allows tax relief on your personal payments to your pension plans of up to £2,880 a year (which becomes £3,600 with tax relief), or 100% of your UK taxable earnings if greater.
- (b) *Annual Allowance* - The Annual Allowance has an overall limit. If total payments from you and your employer to all your pension plans are above the Annual Allowance they may be subject to a tax charge.
- (c) *Lifetime Allowance* - The Lifetime Allowance is a limit on the amount of money you can build up in all your pension plans without losing tax advantages. Any amount above this allowance will normally be subject to a tax charge when benefits start payment. The Lifetime Allowance is £1,500,000 in the tax year 2012-13 and 2013-14 and £1,250,000 thereafter but drops to £1m in 2016-17. As well as the amount you're currently building up in pension plans, the Lifetime Allowance also takes into account the value of any pensions already being paid to you and any tax-free lump sums you've received. If you already have pension funds that exceed the Lifetime Allowance or you think may exceed it in future, you should talk to a financial adviser before taking out a personal pension.
- (d) From 6 April 2016, measures restrict pensions' tax relief by introducing a tapered reduction in the amount of the annual allowance for individuals with income (including the value of any pension contributions) of over £150,000 and who have an income (excluding pension contributions) in excess of £110,000. In order to facilitate the taper, legislation will also be introduced to align pension input periods with the tax year as well as transitional rules to protect savers who might otherwise be affected by the alignment of their pension input periods.

## STATE PENSION

	2015-16	2016-17
Single Person	£115.95 per week	£119.30 per week
Couple (if wife is a non-contributor)	£69.50 per week	£71.50 per week
Single-tier Pension from 6/4/2016	N/A	£155.65 per week

## PENSION CREDIT

Standard minimum income guarantee:	2015-16	2016-17
Single	£151.20 per week	£155.60 per week
Couple	£230.85 per week	£237.55 per week

## Capital Gains Tax

### Annual Exempt Amount

Year	Individuals	Trustees
2014-15	£11,000	£5,500
2015-16	£11,100	£5,550
2016-17	£11,100	£5,550

### CGT Rate

2014-15	Standard Rate: 18%	Higher Rate: 28%
2015-16	Standard Rate: 18%	Higher Rate: 28%
2016-17	<u>Assets other than residential property:</u> Standard Rate: 18%	Higher Rate: 20%
	<u>Residential property:</u> Standard Rate: 18%	Higher Rate: 28%

## Entrepreneurs' Relief

Entrepreneurs' Relief allows individuals and some trustees to claim tax relief for 2008-09 onwards on qualifying gains, up to a maximum lifetime limit, made on the disposal of any of the following:

- all or part of a trade carried on alone or in partnership;
- the assets of such a trade after it has ceased; or
- shares or securities in an individual's personal trading company.

Entrepreneurs' Relief reduces the amount of the Capital Gains Tax (CGT) on a disposal of qualifying business assets on or after 6 April 2008, as long as the qualifying conditions have been met throughout a one-year qualifying period either up to the date of disposal or the date the business ceased.

Qualifying capital gains for each individual are subject to a lifetime limit as follows:

- for disposals on or after 6 April 2008 to 5 April 2010, £1 million
- for disposals on or after 6 April 2010 to 22 June 2010, £2 million
- for disposals on or after 23 June 2010 to 5 April 2011, £5 million, and
- for disposals on or after 6 April 2011, £10 million

### Amount of relief

If you are entitled to Entrepreneurs' Relief, qualifying gains up to the lifetime limit applying at the time you make your disposal, will:

- for disposals made on or before 22 June 2010, be reduced by 4/9ths and the net amount charged to CGT at the rate of 18%; or
- for disposals made on or after 23 June 2010, be charged to CGT at the rate of 10%.

If the qualifying gains together with all previous gains on which you have claimed Entrepreneurs' Relief exceed the lifetime limit applying at the time you make your disposal, the whole of the excess will be taxable at the normal rate of CGT at the time your gains accrue.

## Capital Allowances

Capital allowances are:

Tax Years	2014-15 onwards
Writing Down Allowance (WDA) on Plant & Machinery in the general pool	18%
WDA on Plant & Machinery Long Life assets in the general pool and on integral fixtures	8%
Annual Investment Allowance (AIA) available at 100% on qualifying expenditure on most Plant & Machinery (apart from cars) of up to:	£500,000 from April 2014 until 31 December 2015, then £200,000.

## Interest on Late Payment of Tax

	From 29/09/09	From 23/08/2016
Income Tax, NIC & CGT Stamp Duty and Stamp Duty Reserve Tax	3%	2.75%
CTSA, From normal due date	3%	2.75%
Inheritance Tax	3%	2.75%

## Tax Shelters

Tax shelters are as follows:

**Venture Capital Trusts** - investment limit and rate of tax relief (maximum)     £200,000 (relief at 30%)

**EIS** – investment limit and rate of tax relief (maximum)     From 6/4/12, the limit was increased to £1m. From 6/4/11, the rate of tax relief was increased from 20% to 30%.

**Seed EIS (SEIS)** offers 50% income tax relief on investments in small early stage companies carrying on, or preparing to carry on, a new business in a qualifying trade. There is no charge to CGT if the shares on which SEIS income tax relief has been given are disposed of after 3 years. A claim to CGT reinvestment relief can be made – from 2013-14 onwards the relief applies to half the qualifying reinvested amount.     The income tax relief is available on total investments up to £150,000 per company. To give the greatest degree of flexibility, this is a cumulative limit, not an annual limit. For individual investors there is an annual limit on the amount of qualifying investments of £100,000.

**Tax-free employment termination**     £30,000 for 2015-16 and 2016-17

**Tax-free "rent-a-room" income**     £4,250 (£2,125 if letting jointly) for 2015-16,  
£7,500 (£3,750 if letting jointly) for 2016-17 onwards

## Tax Calendar to the end of 2017

SELF ASSESSMENT: The following dates apply to those who are employed, self-employed, and all other taxpayers

- 30-Dec-16** For those with a tax liability of less than £3,000, if you file your self-assessment tax return on-line by this date, the tax office will adjust your PAYE code (provided you are an employee) so that you can pay any tax due for 2014/15 over time through PAYE, rather than as a lump sum on 31 January 2017.
- 31-Jan-17** If you were sent a 2015/16 tax return, this is the deadline for sending back the completed return. This is also the deadline for paying the balance of any tax that you owe for 2015/16.
- Some people may have to make "payments on account". Each payment will normally equal one half of the previous year's tax liability (after taking off tax deducted at source and tax credits on dividends). The payments are due on 31 January in the tax year and 31 July following the tax year.
- Any Capital Gains Tax due for 2015/16 would be part of, or form, the balancing payment due on this date.
- If either the balancing payment for 2015/16 or first payment on account for 2016/17 is not made by this date, then interest will be charged. If you have not made the balancing payment for 2014/15 by this date, a third automatic 5% surcharge will be applied.
- If you were sent a tax return for 2015/16, you will be charged a penalty of £100 if HMRC has not received your return by this date. The penalty increases over time – see [www.hmrc.gov.uk/sa/deadlines-penalties.htm#3](http://www.hmrc.gov.uk/sa/deadlines-penalties.htm#3) for details.
- 28-Feb-17** If you have not made the balancing payment due for 2015/16 by this date, a first automatic 5% surcharge will be applied. The 5% surcharge does not apply to late payment of the first payment on account for 2015/16.
- 05-Apr-17** The last day of the 2016/17 tax year.
- 31-May-17** By this date, your employer should have given you a Form P60 (pay and tax details from employment) to assist you with the completion of your tax return for the year ended 5 April 2017.
- 06-Jul-17** If applicable to you, your employer must provide you with a copy of Form P11D showing details of the benefits in kind provided to you or expense payments reimbursed to you, for the last tax year. Benefits in kind include, for example, the provision of a company car.
- 31-Jul-17** Some people may have to make payments on account. Each payment will normally equal one half of the previous year's tax liability (after taking off tax deducted at source and tax credits on dividends). The payments are due on 31 January in the tax year and 31 July following the tax year.
- If you need to make a second payment on account for the tax year ending on 5 April 2017, this is the date by which it should be made.
- If you have still not made a balancing payment of tax for 2015/15 by this date, you will be charged a second automatic 5% surcharge. The second 5% surcharge does not apply to late payment of the first payment on account for 2015/16.
- If you have been sent an Annual Declaration to renew your tax credits, you should provide the information no later than this date.
- 05-Oct-17** You must tell HMRC of any income or capital gains you have received in the 2016/17 tax year, if you have not received a tax return. You have a legal obligation to do this. HMRC may, or may not, need to send you a tax return - some taxpayers will be able to pay the right amount of tax through an adjustment to their PAYE code.
- 31-Oct-17** If you were sent a 2016/17 tax return, this is the deadline for sending back the completed paper tax return. Paper tax returns must be filed by this date if you want HMRC to collect any unpaid tax (of under £3,000) for 2016/17 through PAYE. For self-assessment tax returns filed on-line, the filing deadline is 31 January 2018.
- 30-Dec-17** For those with a tax liability of less than £3,000, if you file your self-assessment tax return on-line by this date, the tax office will adjust your PAYE code (provided you are an employee) so that you can pay any tax due for 2016/17 over time through PAYE, rather than as a lump sum on 31 January 2018.

## PARTNERS AND PARTNERSHIPS: The following are dates for Partners and Partnerships and Members of LLPs

- 31-Jan-17** If you were sent a 2014/15 tax return, this is the deadline for sending back the completed return.  
This is also the deadline for paying the balance of any tax that you owe for 2015/16.
- Some people may have to make "payments on account". Each payment will normally equal one half of the previous year's tax liability (after taking off tax deducted at source and tax credits on dividends). The payments are due on 31 January in the tax year and 31 July following the tax year.
- Any Capital Gains Tax due for 2015/16 would be part of, or form, the balancing payment due on this date.
- If either the balancing payment for 2015/16 or first payment on account for 2016/17 is not made by this date, then interest will be charged.
- For members of a partnership or limited liability partnership, this is the deadline by which the completed 2015/16 partnership tax return should be sent back to HMRC.
- If either the balancing payment for 2015/16 or first payment on account for 2016/17 is not made by this date, then interest will be charged. If you have not made the balancing payment for 2014/15 by this date, a third automatic 5% surcharge will be applied.
- 01-Feb-17** If you were sent a tax return for 2015/16, you will be charged a penalty of £100 if HMRC has not received your return by this date. The penalty increases over time – see [www.hmrc.gov.uk/sa/deadlines-penalties.htm#3](http://www.hmrc.gov.uk/sa/deadlines-penalties.htm#3) for details.
- Where HMRC has not received the completed 2015/16 partnership tax return by this date, each member of the partnership or limited liability partnership will be charged a penalty of £100. This penalty applies even if the member does not have a liability to tax for the year.
- 28-Feb-17** If you have not made the balancing payment due for 2015/16 by this date, a first automatic 5% surcharge will be applied. The 5% surcharge does not apply to late payment of the first payment on account for 2016/17.
- 05-Apr-17** The last day of the 2016/17 tax year.
- 05-Jul-17** You must make a claim to HMRC for any new tax credits to which you are entitled (in order to receive full entitlement).
- 31-Jul-17** Some people may have to make payments on account. Each payment will normally equal one half of the previous year's tax liability (after taking off tax deducted at source and tax credits on dividends). The payments are due on 31 January in the tax year and 31 July following the tax year.
- If you need to make a second payment on account for the tax year ending on 5 April 2017, this is the date by which it should be made.
- If you have still not made a balancing payment of tax for 2015/16 by this date, you will be charged a second automatic 5% surcharge. The second 5% surcharge does not apply to late payment of the first payment on account for 2016/17.
- If you have been sent an Annual Declaration to renew your tax credits, you should provide the information no later than this date.
- 05-Oct-17** You must tell HMRC of any income or capital gains you have received in the 2016/17 tax year, if you have not received a tax return. You have a legal obligation to do this.
- 31-Oct-17** If you want HMRC to calculate your 2016/17 tax liability, your paper 2016/17 tax return must be with them by this date.
- The deadline for internet filed returns for 2016/17 tax returns is 31 January 2018.

**COMPANIES AND EMPLOYERS:** The following are dates for companies and employers.

**NOTE:** Dates relating to companies only are highlighted in purple.

<b>14-Jan-17</b> ( <i>Companies only</i> )	Due date for income tax due for the CT61 (Quarterly accounting) quarter to 31 December 2015.
<b>19-Jan-17</b>	Monthly PAYE/NIC to 5 January 2017 due.
<b>02-Feb-17</b>	Last day for notifying car changes in quarter to 5 January 2017 - Form P46 (Car).
<b>19-Feb-17</b>	Monthly PAYE/NIC to 5 February 2017 due.
<b>19-Mar-17</b>	Monthly PAYE/NIC to 5 March 2017 due.
<b>31-Mar-17</b> ( <i>Companies only</i> )	End of Corporation Tax financial year. Corporation tax return for the year ended 31 March 2016 to be filed by this date to avoid £100 penalty (£500 for third consecutive default).
<b>06-Apr-17</b>	Real Time Information (RTI) started on 6 April 2013. RTI should improve the operation of the PAYE system by creating more up-to-date taxpayer records and making it easier for employers and HMRC to administer. The fundamentals of PAYE will stay the same, but employers and pension providers will send PAYE information to HMRC each time they pay their employees, rather than after the end of the tax year. See: <a href="http://www.hmrc.gov.uk/about/briefings/briefing-rti-payee.pdf">http://www.hmrc.gov.uk/about/briefings/briefing-rti-payee.pdf</a> for further information.
<b>14 Apr-17</b> ( <i>Companies only</i> )	Due date for income tax due for the CT61 (Quarterly accounting) quarter to 31 March 2017.
<b>19-Apr-17</b>	Monthly PAYE/NIC to 5 April 2017 due. Any arrears of PAYE/NIC due for the year ended 5 April 2017 to be paid by this date.
<b>03-May-17</b>	Last day for notifying car changes in quarter to 5 April 2017 - Form P46 (Car).
<b>19-May-17</b>	Monthly PAYE/NIC to 5 May 2017 due.
<b>31-May-17</b>	If you are an employer, you must provide a form P60 (showing pay and tax details) to each employee who is working for you at the end of the tax year and for whom you have completed P11. For an employee who left before 5 April they receive a P45.
<b>19-Jun-17</b>	Monthly PAYE/NIC to 5 June 2017 due.
<b>01-Jul-17</b> ( <i>Companies only</i> )	Corporation tax return for the year ended 31 March 2016, not filed before 31 March 2017, to be filed by this date to avoid a minimum £200 penalty (£1,000 for third consecutive default). Tax geared penalties apply where returns are filed more than 18 months after the end of the return period.
<b>06-Jul-17</b>	Copies of Forms P11D, showing details of the benefits in kind provided and/or expense payments reimbursed, for the year ended 5 April 2017 must be provided to all current employees (and to ex-employees who request them).
<b>14-Jul-17</b> ( <i>Companies only</i> )	Due date for income tax due for the CT61 (Quarterly accounting) quarter to 30 June 2017.
<b>19-Jul-17</b>	Monthly PAYE/NIC to 5 July 2017 due. Employers Class 1A NICs on Relevant Benefits in Kind must be paid.
<b>19-Aug-17</b>	Monthly PAYE/NIC to 5 August 2017 due.
<b>19-Sep-17</b>	Monthly PAYE/NIC to 5 September 2017 due.
<b>14-Oct-17</b> ( <i>Companies only</i> )	Due date for income tax due for the CT61 (Quarterly accounting) quarter to 30 September 2017.
<b>19-Oct-17</b>	Monthly PAYE/NIC to 5 October 2017 due.
<b>19-Nov-17</b>	Monthly PAYE/NIC to 5 November 2017 due.
<b>19-Dec-17</b>	Monthly PAYE/NIC to 5 December 2017 due.

Dates that only apply to companies:

<b>9 months + 1 day, after company year end</b>	Corporation Tax for the year to be paid.
<b>9 months (6 months for PLCs) after company year end</b>	Company accounts for the year to be filed with Companies House.
<b>12 months after company year end</b>	Company accounts for the year to be filed with HMRC, together with Corporation Tax return Form CT600.
<b>Confirmation Statement (usually) on anniversary of company formation</b>	Confirmation Statement showing details of Company officers and People with Significant Control to be filed with Companies House, within 14 days together with filing fee.
<b>Quarterly (unless monthly or annual accounting opted for)</b>	VAT Return to be filed with Customs & Excise: for accounting periods beginning on or after 1 April 2012, virtually all VAT registered businesses must submit their VAT return online. You can only submit a paper return where you have been advised that you are exempt from submitting your return online. The deadline for submission of the VAT return, and payment of the VAT (HMRC must receive cleared funds by the deadline date), is one month and seven days from the end of the VAT quarter.

## Further Information

This Report was prepared immediately after the Chancellor's Autumn Statement on 23 November 2016 and is based on official press releases and supporting documentation published today.

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

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

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We believe that the facts are correct as at the date of publication, but there may be certain errors and omissions for which we cannot be responsible.

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