

# Impact on individuals

## Autumn Budget 2017

The Chancellor's Autumn Budget 2017 delivered few major tax changes but the continuing themes of stimulating the UK property market, encouraging innovation and tackling tax avoidance were present, as in all recent Budgets. The below are the most pertinent announcements affecting individual taxpayers.

### First time buyer Stamp Duty Land Tax (SDLT) relief

First time buyers paying up to £500,000 for their home will benefit from SDLT reliefs with effect from today. Purchases for £300,000 or less will attract no SDLT and purchases between £300,000 and £500,000 will suffer SDLT at 5%, only on the purchase price in excess of £300,000.

### Taxing UK property disposed of by non-UK residents

The government announced in the Budget, plans to extend the scope of Capital Gains Tax (CGT) and corporation tax from April 2019 so that gains made on direct and indirect disposals of UK property, both residential and commercial are within the scope of UK tax.

The intention is that for non-residential property, only the gain above the April 2019 value of the property disposed of will be taxable. The existing rules on residential property, which broadly tax any gain in value since April 2015, will run alongside these new rules.

### Changes affecting venture capital investments

From 6 April 2018, there are three changes affecting tax favoured venture capital investments, being the Enterprise Investment Scheme (EIS), Seed EIS, and Venture Capital Trusts (VCTs).

A further hurdle is being built into the conditions for the relief to be available in order to avoid 'tax motivated' investments, that are designed to be low risk and where most of the return comes from the tax relief. This new condition will require that on a 'reasonable' view, the company being invested in has plans to grow and develop over the long term and that the investor faces a real risk of a loss of capital, taking into account any tax relief received and other relevant factors.

The second change is that the limit for EIS investments qualifying for income tax relief in any tax year, is being doubled to £2 million per individual, provided that any investment over and above the existing £1 million limit is in knowledge intensive companies.

### Increases to personal allowances and thresholds

From 6 April 2018, the personal allowance will increase from £11,500 to £11,850 and the higher rate threshold will increase from £45,000 to £46,350. The CGT annual exemption will increase from £11,300 to £11,700, also from 6 April 2018.

### Offshore tax non-compliance

It has been announced that the government intends to extend the time limit for assessing tax arising from offshore non-compliance, even if not deliberate, to a minimum of 12 years. This represents a significant increase as the current minimum is four years. There will be a consultation on these measures in spring 2018.

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