

# Autumn Budget 2018 on a page

## KPMG Comment

“The Chancellor set out a Budget which demonstrates that Business has been listened to.

The widely expected Digital Services Tax seems to be more narrowly targeted than EU proposals, doesn't appear to apply to online sales of goods & services and expected to be repealed once international agreement is reached.”



## Businesses

- Digital Services Tax at 2 percent of revenues for tech giants with global revenues of at least £500 million from April 2020
- Targeted relief for goodwill on the acquisition of businesses with eligible intellectual property from April 2019
- No Intangible Fixed Asset (IFA) degrouping charge from 7 November 2018 where degrouping is the result of a share disposal that qualifies for Substantial Shareholding Exemption (SSE)
- Capital losses offset restricted to 50 percent of gains from April 2020
- £1 million Annual Investment Allowance for calendar 2019 and 2020
- 2 percent Structural Buildings Allowance for contracts entered into on or after 29 October 2018



## Employers

- IR35 extended to medium & large private sector businesses from April 2020
- Employment Allowance restricted to businesses with NIC bills below £100,000 from April 2020



## Individuals

- Entrepreneurs Relief qualifying period increased to 2 years and 5 percent interest in distributable profits and net assets required
- No abolition of Class 2 NICs in this Parliament
- January 2019 consultation on 1 percent Stamp Duty Land Tax (SDLT) surcharge for non-residents buying residential property in England and Northern Ireland

## Key rates

- |   |  |  |
|---|--|--|
| — Personal allowance £12,500 from 2019            | — National living wage £8.21 from 2019                           | — No changes to rates of income tax, dividend tax, capital gains tax and corporation tax |
| — 40 percent tax rate threshold £50,000 from 2019 | — £85,000 VAT registration threshold maintained until April 2022 | — Pensions lifetime savings allowance rises to £1,055,000 from 6 April 2019              |

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