

## **HAPPY NEW TAX YEAR**

In this April issue we highlight some of the key tax changes that take effect from the start of the new tax year. Unfortunately, most of the income tax and national insurance thresholds continue to be frozen, resulting in an increasing number of higher rate taxpayers. The major exception is the welcome increase in the threshold for the High Income Child Benefit Charge (HICBC). The further reduction in the rates of national insurance contributions for employees and the self employed will take effect from 6 April and is a move towards a possible future abolition.

The self-employed will see important changes to how they compute their profits from 2024/25 with “cash accounting” being the default method unless they opt for the accruals basis. The mechanism for assessing those profits also changes from 6 April 2024 when the business results arising between 6 April and the following 5 April will be taxed, which will mean apportioning results where the business year end does not correspond with the tax year.

As far as limited companies are concerned, there is no change in the rates of corporation tax from April 2024. There are however further changes to R&D tax relief which will apply to accounting periods commencing on or after 1 April 2024.

Remember also that the capital gains tax annual exemption reduces to just £3,000 for each taxpayer for gains made in 2024/25, but the higher rate on residential property gains reduces from 28% to 24% as announced in the Spring Budget.