



Making tax simple...

New tax measures from HMRC

Well, it seems that the government are getting on board with our Rosie ethos – to make accounting simple. In Jeremy Hunt's speech this week, he announced new measures being put in place to make everyone's life just that bit easier when it comes to understanding and managing your tax.

So, what does this announcement mean to you and how will it make things simpler? There is quite a lot of information and jargon used, so we hope this summarizes the main headlines for you...

Business Tax

In this year's spring budget, the government introduced two new temporary first-year allowances, which were due to end in March 2026. Making this permanent means that companies can claim a 100% first-year allowance for main rate expenditure (full-expensing) and 50% first-year allowance for special rate expenditure.

Mr Hunt also announced that there would be new tax reliefs put in place including enhanced support for R&D, intensive SME's, and tax relief changes for the creative industry.

Personal Tax

There will be many changes around NIC, including reductions for some classes and self-employed with profits above £12,570. You can see if this affects you by dropping us a line. Alternatively, full details can be found online.

The government will also be developing digital tools to support ISA investors and simplifying the schemes, so from April 2024 you will be able to subscribe to more than one ISA of the same type, every tax year.

In addition to the increase in the tax threshold from £100,000-150,000 in 2023, if you earn more than £150,000 per year and pay tax via PAYE, your Self-Assessment filing threshold will be removed, and you might not need to submit an ITSA (Income Tax Self-Assessment return).

As you know from our previous communications, Making Tax Digital for Income Tax Self-Assessment will become compulsory for everyone in the coming years. You can now expect to

see design changes to MTD for ITSA, making the system easier to use for taxpayers and their accountants. Additionally, you will no longer need to provide an End of Period Statement.

If you are self-employed, you will also see that the process for the Income Tax cash basis will become simplified.

HMRC will also be making the promotion of tax avoidance a criminal offence as well further reducing non-compliance in the Relief and Development tax reliefs. Receiving additional investment will also ensure those that need will receive tailored support with their tax and that outstanding debts are collected more efficiently.

ROSIE ACCOUNTING