

A NEW TAX YEAR STARTS ON MONDAY 6 APRIL FIND OUT THE CHANGES HERE

6 April brings a variety of changes to the tax rules.

The start of the tax year on Monday 6 April (Easter Monday) heralds a variety of changes to tax and pension rules, few of them welcome.

DIVIDEND TAX

The rate of tax on dividends will increase by two percentage points if you pay tax at basic rate (8.75% to 10.75%) or higher rate (33.75% to 35.75%). The additional rate tax on dividends remains unchanged at 39.35%, as does the dividend allowance at just £500.

MAKING TAX DIGITAL (MTD) FOR INCOME TAX

This starts to operate for the self-employed and landlords who have qualifying income (broadly gross income) from both sources that exceeded £50,000 in 2024/25. MTD will require you to submit quarterly returns of income and expenses to HMRC using approved software.

INHERITANCE TAX (IHT) REFORMS

The new rules for agricultural and business IHT reliefs come into effect. Following changes announced in the Autumn 2025 Budget and two days before Christmas, the 100% relief allowance will be a combined £2,500,000 and will be transferable between surviving spouses and civil partners.

VENTURE CAPITAL TRUSTS (VCTS)

The rate of income tax relief for the high risk investments will drop from 30% to 20%. At the same time, the size of companies covered by the scheme will double.

CAPITAL GAINS TAX (CGT)

The rate of CGT on gains that qualify for business assets disposal relief will rise from 14% to 18%. Other rates of CGT remain unchanged, as does the annual exemption at £3,000.

NATIONAL INSURANCE CONTRIBUTIONS (NICs)

If you work or live abroad, then you will not be able to pay voluntary Class 2 NICs (£3.65 a week) to accrue UK State pension for 2026/27 and subsequent years. You may be eligible to pay Class 3 NICs, but the cost is much higher at £18.40 a week.

STATE PENSION AGE (SPA)

The phasing in of a new SPA of 67 will begin in April 2026. If you were born between 6 April 1960 and 5 March 1961, then your SPA will increase to between 66 years 1 month and 66 years 11 months. If you were born on or after 6 March 1961, your SPA will be at least 67.

If you would like more information on how any of these changes could affect you, please get in touch.

WE CAN HELP

For more information on any issues raised in this article, call us on **01753 888 211** or email **info@nhllp.com**, we are here to help.