

COUNTDOWN TO 5 APRIL KEY TAX PLANNING INSIGHTS AFTER THE 2025 BUDGET

LOOKING AHEAD TO THE NEXT UK BUDGET

With the New Year celebrations behind us, attention now shifts to 5 April.

Last year's Budget brought significant changes to the UK's fiscal schedule. Moving forward, the Office for Budget Responsibility (OBR) will provide only one comprehensive annual assessment of the UK economy and public finances, published alongside the Autumn Budget. This means the Spring Statement in March will now serve primarily as a brief update rather than a full financial review.

The tax year will still end on 5 April (Easter Sunday in 2026). Normally, many changes announced in the Budget would take effect on the following day, but that is not the case in 2026. Indeed, some of the measures of the Budget 2025 are not due to take effect until 2028 or later. Even so, there is plenty to consider now in terms of year-end tax planning. For example:

- **Threshold planning:** The Budget did nothing to remove the anomalies in the income tax system created by arbitrary thresholds. The most significant of these are:
 - The high-income child benefit charge threshold starting at £60,000 (and ending at £80,000)
 - The £100,000 threshold at which the personal allowance begins to be tapered (ending at £125,140) and tax-free childcare is lost (falls off the cliff, with no tapering).
 - As the year end nears, and estimating your 2025/26 income becomes easier, there can be opportunities to either sidestep the thresholds or take advantage of gaining tax relief at the high rates they create.
- **Inheritance tax (IHT):** In the Budget, the IHT nil rate band (£325,000) was frozen for another year (to April 2031), having last been increased in April 2009. That makes it even more important that you do not waste your yearly gift exemptions – the £3,000 annual exemption, £250 small gifts exemption, and the least understood, but potentially most valuable exemption, for normal expenditure gifts.
- **Marriage Allowances:** If you or your spouse/civil partner had income below the personal allowance in 2021/22 (£12,570, as it now will be until April 2031), you have until 5 April 2026 to claim the marriage allowance for that year (£1,260), which could produce a tax saving of up to £252. A claim can only be made if the other partner was a basic rate taxpayer (starter, basic or intermediate rate in Scotland) in 2021/22. The principle applies (with an allowance of £1,260) for all subsequent years, so you might be able to reclaim over £1,250.

There are many other points to consider but do take advice before taking action. The Autumn Budget 2025 is available to read [here](#).

WE CAN HELP

If you would like any help on any of the issues raised in this Broadcast contact us on 01753 888 211 or email info@nhllp.com, we are here to help.