

SOARING TAX RECEIPTS FOR CGT AND NICS

Why have HMRC tax receipts risen so sharply? Total tax collected for 2025/26 increased by 9.3% year on year — a rise widely attributed to the hike in capital gains tax (CGT) rates and the increase in employer national insurance contributions (NICs) introduced in the last Budget.

RECEIPTS FOR CGT

CGT receipts for 2025/26 were an astonishing 62% higher than for 2024/25:

- CGT is sometimes described as an 'optional tax', as it can be avoided by postponing disposals. There is also no CGT charge on death, and future governments may choose to reduce CGT rates.
- However, those who did sell assets faced a hike in rates from 10% and 20% to 18% and 24%. Many landlords will have sold up in advance of the Renters' Rights Act 2025 coming into force, while business owners could have benefited from a tax rate saving of 4% by selling prior to 6 April 2026.

There is little to be done during one's lifetime to escape CGT on buy-to-let properties, but those with a substantial investment portfolio might want to postpone disposals to later in life, if they are planning to retire abroad. With careful planning – professional advice being essential here – CGT can be mitigated; the tax saved might mean a better standard of living in retirement is affordable.

EMPLOYER NICS

The receipts from Class 1 employer NICs have gone up to nearly £144 billion, an increase of over £35 billion.

There is limited scope for most employers to avoid the increases, which came in from April 2025, although an unincorporated business might consider taking on senior staff as partners, though probably as limited partners to prevent any personal liability should the business fail.

Be warned that there has been some speculation regarding the introduction of some type of employer NICs on partnership profits.

RECEIPTS ON INCOME TAX

Income tax receipts have risen less sharply, although frozen thresholds and allowances are inexorably taking their toll, dragging more and more taxpayers into higher tax bands. Some higher earners may contemplate relocating to a more tax-friendly jurisdiction, which, if the overseas stay is long enough, could avoid CGT on the disposal of investments.

Details of HMRC tax receipts and NICs can be found at [HMRC official statistics](#).

WE CAN HELP

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