

Key Aspects of the Chancellor's March 2024 Spring Budget

March 2024



Chancellor Jeremy Hunt announced some cutbacks in yesterday's Spring Budget, including the abolition of furnished Holiday Letting Relief, the Multiple Dwellings Relief on Stamp Duty Land Tax (SDLT), and a change to Capital Gains Tax on property disposals, all designed to increase revenue.

Most residential property sales are of people's primary homes. Therefore, they are eligible for Private Residence Relief. Private Residence Relief will continue to apply, but for those properties where Capital Gains Tax (CGT) is due on part of the sale proceeds, the higher rate of CGT goes down to 24% from 6 April 2024. The lower rate will remain at 18% for any gains falling within an individual's basic rate band. This new CGT rate will apply to property owners who have let out their property, used it as a second home, or developed it for profit.

Other properties in the firing line are furnished holiday lets. From April 2025, the tax benefit that advantages landlords who let short-term furnished holiday property over those who let residential properties to longer-term tenants will end, with the government drawing up draft legislation.

Abolishing the Multiple Dwellings Relief on SDLT will significantly impact purchasers purchasing two or more dwellings in England and Northern Ireland. The government is abolishing this relief for transactions completed on or after 1 June 2024. Purchasers who have exchanged contracts on or before 6 March 2024 will remain eligible for the relief regardless of when the parties complete the transaction, provided there is no variation to the contract after 6 March 2024.

For more information on what this means to you, speak to our head of residential property, [Ben Marks](#).

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For businesses, after making full expensing permanent in November—a 100% first-year allowance for companies to claim a deduction from taxable profits for qualifying plant and machinery assets—the government plans to extend full expensing to assets for leasing. It intends to draw up draft legislation on this point. Changes will be introduced "when fiscal conditions allow," according to the Chancellor.

From April, the VAT registration threshold for smaller businesses will increase from £85,000 to £90,000, and the deregistration threshold will rise from £83,000 to £88,000. The government is to extend the Recovery Loan Scheme's access to finance under the new name of the Growth Guarantee Scheme.

The film industry has been given a targeted boost by the introduction of a new Independent Film Tax Credit (IFTTC) which will allow qualifying British films with a production budget of £15 million or less to claim the Audio-Visual Expenditure Credit (AVEC) at an enhanced rate of 53%, rather than the standard 34%, along with certain other measures including eligible UK film studios being entitled able to claim a 40% relief on their business rates until 2034 from 1 April 2024.

If you're running a business and need assistance, speak to our corporate and commercial department head, [Victoria Holland](#). Victoria has vast commercial knowledge and experience and works with a close

network of trusted professionals, such as tax advisors, to keep you ahead of the game.

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In due course, the government also announced that it intends to move to a residence-based regime for Inheritance Tax (IHT). Watch out for further news on IHT from private client solicitor and Trust and Estate Practitioner, [Herman Cheung](#).

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More details from the government about the Spring Budget are available at www.gov.uk/government/publications/spring-budget-2024/spring-budget-2024-html.

Note: This article is not legal advice; it provides information of general interest about current legal issues.

