Spring Newsletter
2024

Wynniatt-Husey Limited

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CHILD BENEFIT

The High Income Child Benefit Charge threshold will increase to £60,000 from 6th April 2024. The charge is tapered so if you, or your partner, earns between £60,000 and £80,000 it may still be worth your while financially to claim.
For instance, you'll be charged 1% of your Child Benefit for every £200 of income that exceeds £60,000. If your income exceeds £80,000, the charge is equal to the amount of the Child Benefit Payment.
HM Revenue & Customs plans to change the current system to a household income basis rather than individual incomes basis by April 2026. We will update you when we know more information.

ALLOWANCES

		05/04/2024	05/04/2025
Dividends		*1,000.00*	*500.00*
Capital Gains Tax Allowance		*6,000.00*	*3,000.00*
Interest Allowance:	Basic Rate taxpayer	*1,000.00*	*1,000.00*
	Higher Rate taxpayer	*500.00*	*500.00*
	Additional rate taxpayer	*0.00*	*0.00*

NATIONAL INSURANCE & CGT CUT AGAIN

Class 1 employee NIC
The main rate of Class 1 employee NICs will be cut from 10% to 8% for workers earning over £12,570, from 6 April 2024.
The change is expected to benefit 27 million people, saving the average worker £450 when combined with the two-percentage-point cut already announced in November's Autumn Statement and introduced from January.
Self-employed NIC cuts
If you're self-employed, then you'll benefit from a fall in Class 4 contributions from 8% to 6% on profits over £12,570.
The rate cut will also be introduced from 6 April 2024. Together with the one-percentage-point cut that was due to come in from April, the measure will mean a saving of £650 for two million self-employed workers.
Property capital gains tax
The higher rate of residential property capital gains tax is to be reduced from 28% to 24%

VAT THRESHOLD

From 1st April 2024, the VAT threshold will increase from £85,000 to £90,000.
When a business's turnover reaches the VAT threshold, you have 30 days to register for VAT with HMRC.
The extra responsibilities when VAT registered are as follows:

- Charging VAT on your products or services
- Paying VAT on the goods or services supplied by your suppliers
- Maintaining VAT records on input and output VAT
- Submitting your VAT returns to HMRC digitally

MINIMUM WAGE

	23 and Over	21 to 22	18 to 20	Under 18	Apprentice
Current rate	£10.42	£10.18	£7.49	£5.28	£5.28
New Rate (April 2024)	£11.44	£11.44	£8.60	£6.40	£6.40

COMPANIES HOUSE FEES

Companies House are increasing their fees from 1st May 2024.
Filing of a digital confirmation statement will increase from £13.00 to £34.00.
WHL fees will increase from £49.00 to £70.00 (£34 CH fee + £36 WHL admin fee)
All price increases can be found by visiting companieshouse.gov.uk

INCOME TAX BANDS

Band	Taxable income	Tax rate
Personal Allowance	Up to £12,570	0%
Basic rate	£12,571 to £50,270	20%
Higher rate	£50,271 to £125,140	40%
Additional rate	over £125,140	45%

HMRC DEBT COLLECTION & MTD

Are your taxes up to date?
HMRC are set to employ private debt collection agencies to ensure everyone pays the tax they owe. They have identified that high levels of non-payment of tax in the last couple of years has been driven by the self-employed and small companies struggling to pay their income tax and VAT.
A new points-based penalty regime for those who are required to submit either a VAT Return or an Income Tax Self-Assessment (ITSA) Return (or both) and who fail to submit returns on time or fail to pay on time has already been introduced.
VAT interest rules have also changed to become harmonised with those that currently exist in ITSA; when an amount is not paid by the due date, late payment interest will be charged from the date that payment was due, until the date the payment is received.
With the upcoming introduction of Making Tax Digital (MTD) ITSA taxpayers, the penalties will provide a sanction to encourage compliance with their new quarterly and End of Period Statement obligations. However, as the late submission penalties are points-based they also take a proportionate approach by not applying a financial penalty to every missed obligation.
To avoid a penalty or penalties, the taxpayer will need to either pay or approach HMRC to agree a 'time to pay' arrangement.

BRITISH ISA

A new "British ISA" allowance worth £5,000 is to be introduced.
The current ISA allowance is worth £20,000, which can be saved or invested into cash, stocks or shares across each tax year.
The intention of this new ISA allowance is to provide tax free savings opportunities for people to invest in the UK, whilst also supporting UK Companies. It is currently unclear whether this means Companies incorporated in the UK or Companies that are listed on the UK Stock Exchange.
The Government is currently holding consultations on how to design and implement this new ISA, with the consultation period running until 06 June 2024.
According to some investment experts, it is unlikely to be in place until at least April 2025.

FURNISHED HOLIDAY LETS

From 6th April 2025, the Furnished Holiday Lettings tax regime will be abolished. This means that short-term and long-term lets will be treated the same for tax purposes, this has been done to remove the current tax advantages for landlords who let short term furnished holiday properties over those who let out residential properties to longer term tenants. Individuals with FHL and non-FHL properties will no longer need to calculate and report income separately.

The main benefits currently available to FHL owners include rollover relief, interest incurred on borrowings being fully deductible against taxable profits and capital allowances allowing tax relief for fixtures (often 100% relied in the year of expense).

We are waiting on draft legislation to confirm the implementation of the changes to FHL, but it is likely these benefits will be removed.

Anyone owning FHL property should consider the options open to them before the FHL rules are abolished in April 2025. This may include a sale before the change in rules if a sale was part of their plan (where the disposal may benefit from a 10% tax rate rather than the residential rates) or gifting FHL property as part of succession planning.

STAMP DUTY MULTIPLE DWELLINGS RELIEF

In a move to combat abuse of the system, the government has decided to abolish multiple-dwellings relief from 1 June 2024. This relief applied to the purchase of several properties within one transaction, e.g several flats within one block. The current MDR calculates stamp duty based on an average of the individual properties and the calculation of stamp duty takes advantage of the 3% rate for each individual property valued up to £250,000 and the 8% rate thereafter. The new legislation only allows the £250,000 band to be used once per transaction and all surplus property costs give rise to stamp duty at the higher 8% rate. This will increase the stamp duty liability substantially so for a transaction of two properties for £500,000 the stamp duty liability will potentially rise from £15,000 to £27,500.

COUNTY SHOW GROUND

Come and visit us at Stafford County Showground on Wednesday 29th or Thursday 30th May for a chat and catch up and see what goodies we have on offer.

Don't forget if you bring along a friend and they become a client you will be entered into one of our exciting Easter or Christmas draws.

THEATRE TAX RELIEF

During the budget, the Chancellor announced that the theatre tax relief scheme is to be made permanent, which has been welcomed across the industry. Theatre tax relief allows enhanced expenditure to be claimed on post and pre show transactions. The current rate, which has now been fixed, allows for touring shows to claim 50% additional expenditure and non-touring shows to claim 45%.

NON DOMS

Non-domiciled status effectively means that a person does not need to pay an UK tax on income that is earned overseas.

However, with effect from April 2025, these rules are being abolished to be replaced with (in the words of the Government) "a more modern tax system".

A new residence-based regime will take effect from April 2025, which will include the following:

- New arrivals into the UK (having been non resident in the UK for the last 10 consecutive years) wont have to pay UK tax on foreign income for the first 4 years they are tax resident in the UK
- A transitional arrangement will be put in place for current "non-doms"
- Existing tax residents (who have been resident for fewer than 4 tax years) will also not need to pay any UK tax on foreign income until the end of their 4th year of tax residency
- A temporary 50% reduction in personal foreign income that is subject to UK tax will be given for non doms who will lose access to the remittance basis in 2025 and who are also not eligible for the new 4 year rule
- A re-basing of capital assets to 05 April 2019 levels for disposals that take place of 06 April 2025 for current non doms who have claimed remittance basis. This means that when foreign assets are sold, affected individuals can elect to be taxed on the capital gains since that date
- Non-doms will be able to remit foreign income that are before 06 April 2025 to the UK at a rate of 12% under a new Temporary Repatriation Facility in the tax years 2025-26 and 2026-27
- Foreign income that arose in protective non-resident trusts before 06 April 2025 will not be taxed unless distributions or benefits are paid to UK residents who have been in the UK for more than 4 years
- Anyone who has been tax resident in the UK for more than 4 years will pay UK tax on not only UK income, but also any newly arising foreign income, as would be the case for a standard UK resident
- Any liability relating to Inheritance tax is currently being consulted on. The current rule is that no inheritance tax is due on non UK assets for non-doms until they have been a UK resident for 15 of the past 20 tax years.

UNPAID CARERS LEAVE

From 6 April 2024, employees will be entitled to unpaid leave to give or arrange care for a 'dependant' who has:

- a physical or mental illness or injury that means they're expected to need care for more than 3 months
- a disability (as defined in the Equality Act 2010)
- care needs because of their old age

The dependant does not have to be a family member. It can be anyone who relies on them for care.

Employees are entitled to carer's leave from their first day of work for their employer. Their employment rights (like holidays and returning to their job) are protected during carer's leave.

Employees can take up to one week of leave every 12 months. A 'week' means the length of time they usually work over 7 days.

For more information please visit www.gov.uk

SEMINARS

Alan will be hosting his seminars again later this year and current topics of interest are Inheritance Tax Planning, Wills update, To incorporate or not? MTD for sole traders and landlords in 2026 & Basic bookkeeping.

We have no dates in the diary at present, but if there is something you think might interest you, please email Rachel@wynniatt-huseyltd.com to register your details and we will contact you with further information.

EASTER DRAW

There's still time to enter into our Easter Prize Draw!

All you need to do is recommend WHL to your friends and family! Should they decide to join our ever growing firm, we will add your name into the prize draw. It really is that simple!

If you have recommended anyone to us in the past 12 months please inform your account manager to ensure your name is entered!

PROTECTING OUR STAFF'S MENTAL HEALTH

The mental health of our staff is paramount and, in an effort, to protect our staff from undue stress we have decided to introduce a new policy.

Each year we are faced with ever increasing pressure due to deadlines imposed on us, due to this we are implementing a sliding scale of fees based on if records are not received in a timely manner.

Obviously, we don't want to charge extra fees and providing your books and records arrive within good time, the extra fees should not affect you.

We always endeavour to keep our clients informed on when records are required, however the responsibility is with the business owner to ensure they are mindful of their year-end date.

Hopefully this will help us to better manage our workload but also help clients with business planning and cashflow management.

Full details will be available on our website soon.