



HM Treasury

Autumn Statement 2022

Policy Costings

November 2022



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Chapter 1

Introduction

This document sets out the assumptions and methodologies underlying costings for tax and annually managed expenditure (AME) policy decisions announced since Spring Statement 2022, where those policies have a fiscally significant impact on the public finances. These costings are all submitted to the independent Office for Budget Responsibility (OBR) for their certification. All measures were certified. This publication is part of the government's wider commitment to increased transparency.

Chapter 2 presents detailed information on the main data and assumptions underpinning the costing of policies in the Autumn Statement. Each note sets out a description of the measure, the base, the methodology for the costing (including relevant adjustments for behavioural responses) and highlights main areas of additional uncertainty, beyond those inherent in the OBR's forecast. All costings are presented on a National Accounts basis.

Annex A sets out the indexation assumptions included in the public finances forecast baseline, including all pre-announcements. The OBR set out the approach they have taken to scrutiny and certification of the costings, and highlights areas of particular uncertainty, in the Economic and Fiscal Outlook.

Chapter 2

Policy Costings

The following are included in this chapter

- Energy Price Guarantee: support for households through a cap on the unit rate of electricity and gas
- £900 Cost of Living Payment for households on means-tested benefits in 2023-24
- £300 Pensioner Cost of Living Payment in 2023-24
- £150 Disability Cost of Living Payment in 2023-24
- Energy Bill Relief Scheme: support for businesses for a 6 month period
- Council Tax: implications of changes to local authority reserves
- Business Rates: freezing the multiplier in 2023-24
- Business Rates: 75% relief for Retail, Hospitality and Leisure sectors in 2023-24, up to £110,00 cash cap
- Business Rates: three-year transitional relief to limit bill increases at the revaluation
- Business Rates: three-year supporting small businesses scheme for properties losing Small Business Rates Relief or Rural Rates Relief
- Business Rates: delay improvement relief by one year to April 2024
- Energy Profits Levy: extend until 31 March 2028 and increase rate to 35% from 1 January 2023
- Electricity Generator Levy: implementation of 45% tax on excess returns from 1 January 2023 to 31 March 2028
- Income Tax and National Insurance: maintain thresholds at 2023-24 levels until April 2028
- Inheritance Tax: maintain thresholds at current level until April 2028
- Income Tax: reduce the dividend allowance from £2,000 to £1,000 from April 2023 and then £500 from April 2024
- Income Tax: reduce the additional rate threshold from £150,000 to £125,140 from April 2023
- Capital Gains Tax: reduce the annual exempt amount from £12,300 to £6,000 from April 2023 then £3,000 from April 2024
- Vehicle Excise Duty: equalise treatment of electric and internal combustion engine vehicles from April 2025
- Company Car Tax: set rates from 6 April 2025 to 5 April 2028

- National Insurance: maintain the secondary threshold for employer contributions at current level from April 2023 until April 2028
- Pillar 2 rules: UK implementation of global minimum corporate tax reforms from 31 December 2023
- R&D tax reliefs: rebalance generosity of reliefs from 1 April 2023
- VAT: maintain registration threshold at current level to 31 March 2026
- Climate Change Levy: rebalance rates in 2024-25 by increasing rates on natural gas and solid fuels, while freezing other rates
- Capital Gains Tax: preventing avoidance through share exchange
- Transfer pricing documentation: implementation of OECD best practice requirements from April 2023
- HMRC: investment in compliance – tackling tax fraud
- HMRC: investment in compliance – reducing non-compliance by wealthy taxpayers
- Stamp Duty Land Tax: ending the Growth Plan 2022 change on 31 March 2025
- Van benefit charge: uprate with CPI in 2023-24
- Car fuel benefit charge: uprate with CPI in 2023-24
- First Year Allowance for electric vehicle chargepoints: extend for a further two years until April 2025
- Carbon Price Support: maintain rates at a level equivalent to £18 t/CO₂ in 2024-25
- Import tariff changes since Spring Statement 2022
- Pension Credit: uprate Standard Minimum Guarantee by CPI in 2023-24
- Benefit cap levels: uprate by CPI in 2023-24
- Support for Mortgage Interest: reduce wait period from 9 to 3 months and abolish the zero earnings rule
- Social housing: cap rent increases below CPI in 2023-24
- Employment and Support Allowance: delay managed move to Universal Credit until 2028
- Housing Benefit and Pension Credit: delay merger until 2028
- DWP: additional investment in tackling fraud and error
- Energy Profits Levy
- R&D tax reliefs: extend to data & cloud costs and refocus reliefs towards UK innovation
- Tax exemptions for compensation payments
- Capital Gains Tax: extend the period for no gain/no loss transfers to three years for couples that separate or divorce
- IFRS17 transitional rules
- DWP: residency test exemption for arrivals from Ukraine
- DWP: Personal Independence Payment Award Review Queue

- DWP: pause full Personal Independence Payment rollout
- Additional costs associated with extending student finance eligibility to individuals on Ukraine visa routes from 1 August 2022
- Income Tax: maintaining the basic rate at 20%
- National Insurance: reverse temporary 1.25pp increase in NICs rates from November 2022, and cancel the Health and Social Care Levy
- Stamp Duty Land Tax: increases to nil-rate thresholds from 23 September 2022
- Annual Investment Allowance: permanently set at £1m from April 2023
- Venture capital schemes: increase Seed Enterprise Investment Scheme limits from April 2023
- Employee share schemes: Company Share Option Plan reforms from April 2023
- Alcohol duty reform: changes to the new alcohol duty system (following the consultation after Autumn Budget 2021)

Energy Price Guarantee: support for households through a cap on the unit rate of electricity and gas

Measure description

This measure caps the unit price of gas and electricity so that the typical household pays the equivalent of £2,500 per year until 31 March 2023, beginning from 1 October 2022. From 1 April 2023 until 31 March 2024 the typical household will pay the equivalent of £3,000 per year. The Exchequer is also temporarily funding green levies through this measure.

The cost/tax base

The cost base for this measure is the total number of gas and electricity consumers in the United Kingdom. The cost base grows over the forecast horizon using historical average annual growth rates for the number of gas and electricity consumers in the UK.

Costing

The static costing is the difference between the total cost of households purchasing energy at prices that would have prevailed in the absence of the measure and the total cost of households purchasing energy at prices under the Energy Price Guarantee. The costing accounts for a behavioural response whereby households respond to the reduction in energy prices brought about by the measure.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	-24,780	-12,780	0	0	0	0

Areas of uncertainty

The main uncertainties in this costing relate future energy prices and the behavioural response.

£900 Cost of Living Payment for households on means-tested benefits in 2023-24

Measure description

This measure provides a one-off payment of £900 to households on means-tested benefits (income-based Jobseeker's Allowance; income-related Employment and Support Allowance; Income Support; Pension Credit; Universal Credit; Child Tax Credit; Working Tax Credit) across the UK in 2023-24.

The cost/tax base

The cost base is estimated using benefit caseload forecasts and economic determinants as forecast by the OBR.

Costing

To estimate the static costing of this policy, the baseline caseloads for each type of benefit are multiplied by the £900 award value of the Cost of Living Payment.

The costing also accounts for behavioural impacts of this policy change, whereby there is some increase in take up of Universal Credit as a result of the policy change.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	-7,475	-90	-80	-75	-70

Areas of uncertainty

The main uncertainties in this costing are the behavioural assumptions.

£300 Pensioner Cost of Living Payment in 2023-24

Measure description

This measure provides pensioner households (those with people over State Pension age) with a £300 Pensioner Cost of Living payment in 2023-24.

The cost/tax base

The Pensioner Cost of Living Payment will go to pensioner households. The best available forecast for this is those who receive the Winter Fuel Payment. The pre-measure base is the level of Winter Fuel Payments expenditure that would have occurred prior to the policy implementation.

Costing

The costing is estimated by obtaining Winter Fuel Payment caseload and expenditure from the OBR's forecast, and using the number of eligible households to calculate the cost of paying each of them an additional £300 in 2023-24. No additional behavioural effects are assumed as a result of this policy.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	-2,610	0	0	0	0

Areas of uncertainty

The main uncertainties in this costing relates to the size of the cost base. Our best forecast of the pensioner household cohort is the Winter Fuel Payments cohort. Depending on delivery method chosen, the caseload could vary slightly.

£150 Disability Cost of Living Payment in 2023-24

Measure description

A one-off Disability Cost of Living Payment of £150 to recipients of extra-costs disability benefits across the UK in 2023-24.

The cost/tax base

The cost base is estimated using the caseload forecasts for qualifying extra-cost disability benefits and economic determinants as forecast by the OBR.

Costing

The static costing is calculated by multiplying the estimated cost base by the £150 award value of the Cost of Living Payment. This costing also accounts for behavioural assumptions, whereby there is some increase in take up of disability benefits as a result of the policy change.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	-1,170	-135	-120	-110	-100

Areas of uncertainty

The main uncertainties in this costing relate to the size of the cost base and behavioural response.

Energy Bill Relief Scheme: support for businesses for a 6 month period

Measure description

The Energy Bill Relief Scheme (EBRS) provides a discount in p/kWh on wholesale gas and electricity prices for all qualifying non-domestic consumers (including UK businesses, the voluntary and public sectors), for six months, beginning from 1 October 2022 to 31 March 2023.

The cost/tax base

The cost base is every unit of electricity or gas that is covered by an eligible non-domestic energy contract. This is estimated using non-domestic energy consumption data from the Digest of UK Energy Statistics and industry feedback. Eligible energy consumption is adjusted in line with the OBR's GDP forecast.

Costing

The costing is estimated applying the value of discounts to the cost base. Discounts for future months are estimated using forward contract prices.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	-18,405	0	0	0	0	0

Areas of uncertainty

The main uncertainties in this costing relate to the size of the cost base, future energy prices, and behavioural response.

Council Tax: implications of changes to local authority reserves

Measure description

This measure sets out the Council Tax referendum limits for 2023-24 to 2027-28. These limits comprise a core referendum principle of 3% for all local authorities, and an additional 2% Adult Social Care (ASC) precept for local authorities with responsibility for social care. Full details of Council Tax referendum principles will continue to be set out by the Department for Levelling Up, Housing and Communities (DLUHC) through the Local Government Finance Settlement process.

The cost/tax base

The cost base is the net Exchequer impact of two largely offsetting effects: the increase in Council Tax receipts as a result of the application of the referendum principles; and the consequent change in local authorities' expenditure as a result of the additional Council Tax receipts.

Costing

The costing assumes all local authorities take up the referendum principles in full, and that they spend 95% of the additional revenues, with the other 5% adding to local authority reserves. Revenue that is raised and spent in the same year is fiscally neutral because increased Local Authority tax revenue is offset by increased Local Authority spending. There is a small positive exchequer impact because income Local Authorities add to their reserves does not add to public sector net borrowing until it is drawn down and spent.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	+30	+60	+120	+170	+240

Areas of uncertainty

The main uncertainties in this costing relate to decisions by local authorities on whether to use the Council Tax flexibility in full, and the extent to which local authorities spend the additional receipts.

Business Rates: freezing the multiplier in 2023-24

Measure description

This measure will freeze the business rates multiplier for 12 months from April 2023. This will maintain the small business multiplier at 49.9p and the standard multiplier at 51.2p rather than uprating them to 52.9p and 54.2p respectively.

The cost/tax base

The tax base consists of the total rateable value of all non-domestic properties in England, multiplied by the 2023-24 small business multiplier.

Costing

The static costing is produced by applying the pre- and post-measures tax regime to the tax base above. The static cost is adjusted to reflect interactions with other Business Rates measures, the fact that business rates are deductible for Corporation Tax for companies and Income Tax for the self-employed, and that business rates are devolved to Scotland, Wales and Northern Ireland. The costing includes no adjustments for behavioural effects.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	+25	-1,795	-1,955	-1,960	-1,900	-1,900

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base.

Business Rates: 75% relief for Retail, Hospitality and Leisure sectors in 2023-24, up to £110,00 cash cap

Measure description

This measure grants a 75% business rates discount to businesses occupying eligible retail, hospitality and leisure properties in England up to a cash cap of £110,000 per business. This discount will apply for 12 months from 1 April 2023.

The cost/tax base

The tax base consists of the total rateable value of all retail, hospitality and leisure properties in England, multiplied by the 2023-24 business rates multipliers.

Costing

The static costing is produced by applying the pre- and post-measures tax regime to the tax base above. The static cost is adjusted to reflect interactions with other Business Rates measures, the fact that business rates are deductible for Corporation Tax for companies and Income Tax for the self-employed, and that business rates are devolved to Scotland, Wales and Northern Ireland. The costing includes no adjustments for behavioural effects.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	+50	-2,295	+45	-10	0	0

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base.

Business Rates: three-year transitional relief to limit bill increases at the revaluation

Measure description

This measure will cap bill increases for properties at a set percentage each year as a result of increasing rateable values at the 2023 business rates revaluation. In the first year, these increases will be capped at 5% for small, 15% for medium and 30% for large properties; these caps will increase in later years of the scheme. The measure will take effect from 1 April 2023 and run until 31 March 2026.

The cost/tax base

The tax base consists of all non-domestic properties experiencing an increase in rateable value greater than the transitional relief caps, multiplied by the small business multiplier for relevant years.

Costing

The static costing is estimated by applying the pre- and post-measure tax regimes to the tax base described above. The static cost is adjusted to reflect interactions with other Business Rates measures, the fact that business rates are deductible for Corporation Tax for companies and Income Tax for the self-employed, and that business rates are devolved to Scotland, Wales and Northern Ireland. The costing includes no adjustments for behavioural effects.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	+15	-1,230	-375	-110	0	Neg

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base.

Business Rates: three-year supporting small businesses scheme for properties losing Small Business Rates Relief or Rural Rates Relief

Measure description

This measure will cap bill increases at £600 per year for businesses losing eligibility for or seeing reductions in Small Business Rate Relief (SBRR) or Rural Rate Relief (RRR) as a result of the 2023 business rates revaluation. The measure will take effect from 1 April 2023 and run until 31 March 2026.

The cost/tax base

The tax base consists of estimates of the rateable value of properties losing eligibility for or seeing reductions in SBRR or RRR relief, multiplied by the small business rates multiplier for relevant years.

Costing

The static costing is estimated by applying the pre- and post-measure tax regimes to the tax base described above. The static cost is adjusted to reflect interactions with other Business Rates measures, the fact that business rates are deductible for Corporation Tax for companies and Income Tax for the self-employed, and that business rates are devolved to Scotland, Wales and Northern Ireland. The costing includes no adjustments for behavioural effects.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	+5	-180	-190	-210	+5	Neg

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base.

Business Rates: delay improvement relief by one year to April 2024

Measure description

At Autumn Budget 2021, the government announced the Improvement Relief, which provides 12 months of 100% business rates relief on qualifying improvements to existing properties from 1 April 2023 until 31 March 2028. This measure changes the start date for the relief to 1 April 2024.

The cost/tax base

The tax base consists of Valuation Office Agency estimates of past rateable value added to non-domestic properties in England due to improvements, adjusted for the revaluation effect and multiplied by the relevant business rates multipliers for each year.

Costing

The static costing is produced by applying the pre- and post-measures tax regime to the tax base above. The static cost is adjusted to reflect interactions with other Business Rates measures, the fact that business rates are deductible for Corporation Tax for companies and Income Tax for the self-employed, and that business rates are devolved to Scotland, Wales and Northern Ireland. The costing includes no adjustments for behavioural effects.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	Neg	+145	Neg	0	0	0

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base.

Energy Profits Levy: extend until 31 March 2028 and increase rate to 35% from 1 January 2023

Measure description

This measure increases the rate of the Energy Profits Levy from 25% to 35% and extends the levy from 31 December 2025 to March 2028. It also reduces the investment allowance from 80% to 29% and introduces a new decarbonisation allowance, set at 80% for upstream decarbonisation expenditure. This measure will be effective from 1 January 2023.

The cost/tax base

The tax base comprises of taxable profits from oil and gas exploration and production companies operating in the UK or on the UK Continental Shelf (UKCS), subject to specific exclusions and allowances set out in the policy description. This is estimated using HM Revenue and Customs' (HMRC) North Sea oil and gas forecasting model which uses information from annual surveys by the North Sea Transition Authority of operating companies, alongside information from tax returns. The tax base grows over the forecast period in line with OBR's forecasts for production, expenditure and oil and gas prices.

Costing

The static costing is estimated by applying the pre- and post-measure tax regimes to the tax base described above. A behavioural response is applied, assuming a very small increase in non-compliance-but no impact on investment in the UKCS.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	+1,130	+3,435	+2,465	+2,750	+5,510	+4,135

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base which is very sensitive to oil and gas prices.

Electricity Generator Levy: implementation of 45% tax on excess returns from 1 January 2023 to 31 March 2028

Measure description

This measure introduces a new levy on the extraordinary revenues of electricity generators, following the Russia/Ukraine crisis. The Electricity Generator Levy will be a new 45% tax on extraordinary revenues above a pre-crisis price baseline (of £75 per MWh) made by certain renewable, nuclear and biomass electricity generators. The measure will exclude generation that falls under the Contracts for Difference (CfD) regime and will also include a small de minimis to exclude small generators from the Levy. This measure will be effective from 1 January 2023. 2028.

The cost/tax base

The tax base consists of forecast electricity generation by major power producers from non-fossil fuel sources. This output is then multiplied by the average wholesale prices that generators are forecast to achieve for their output over and above the benchmark price of £75 per MWh, subject to the allowance of £10 million per group. The electricity generation data are sourced from the Department for Business, Energy & Industrial Strategy (BEIS) and adjusted to remove generation under CfD which is excluded from the Levy. The forecast of prices generators are expected to achieve is based on OBR's wholesale electricity price determinant, adjusted for expected hedging and/or forward-selling behaviour.

Costing

The static costing is estimated by applying the 45% tax rate to the tax base described above. The costing assumes a small behavioural effect to capture tax planning and non-compliance.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	+1,035	+4,075	+3,445	+2,195	+1,935	+1,535

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base, which is very sensitive to wholesale electricity prices.

Income Tax and National Insurance: maintain thresholds at 2023-24 levels until April 2028

Measure description

This measure will maintain the following personal tax thresholds at their current levels for a further two years from April 2026 to April 2028.

- Income Tax: Personal Allowance (PA) and Higher Rate Threshold (HRT);
- National Insurance: Primary Threshold (PT), Lower Profits Limit (LPL), Lower Profits Threshold (LPT), Upper Earnings Limit (UEL), and Upper Profits Limit (UPL).

This measure will maintain the following personal tax thresholds at their current levels until April 2024:

- The Lower Earnings Limit (LEL)
- The Small Profits Threshold (SPT)

The cost/tax base

The tax base is income and earnings above the announced thresholds, estimated using HMRC's Personal Tax Model using Survey of Personal incomes base data for 2019-20, projected using OBR economic determinants.

Costing

The costing is estimated by applying the pre- and post-measure tax regimes to the tax base described above.

An adjustment was made to take account of the behavioural response.

Tax and AME consequentials from freezing the LEL and the SPT are not included in the costing but are expected to be small.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	0	0	0	0	+1,260

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base, behavioural response, and sensitivity to the CPI forecast.

Inheritance Tax: maintain thresholds at current level until April 2028

Measure description

This measure fixes the Nil-Rate Band and Residence Nil-Rate Band thresholds at £325,000 and £175,000 respectively for tax years 2026 to 2027 and 2027 to 2028. It also fixes the Residence Nil-Rate Band taper at the current level of £2 million.

The cost/tax base

The tax base consists of Inheritance Tax (IHT) liable estates estimated using HMRC administrative data and projected using OBR economic determinants.

Costing

The difference between the baseline IHT forecast and the forecast with these changes, using the tax base above, gives the estimated static yield of the threshold changes.

The costing accounts for a behavioural response whereby some estates respond to the change in thresholds relative to the pre-measures baseline.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	0	0	0	0	+35

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base and sensitivity to the CPI forecast.

Income Tax: reduce the dividend allowance from £2,000 to £1,000 from April 2023 and then £500 from April 2024

Measure description

This measure reduces the tax-free allowance for dividend income (the 'Dividend Allowance') from £2,000 to £1,000 from 6 April 2023 and then to £500 from 6 April 2024 for individuals who receive dividend income. This measure will be effective from April 2023.

The cost/tax base

The tax base includes all dividend income between the current and new dividend allowance. The tax base is estimated via HMRC Personal Tax Model using Survey of Personal Incomes base data for 2019-20, projected forward using the OBR's forecast for dividend income growth.

Costing

The static costing is estimated by applying the pre- and post-measure tax regimes to the tax base described above. The costing accounts for behavioural responses including behaviours to reduce taxable dividend income, and a lower incentive for individuals to incorporate.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	-30	+450	+810	+860	+940

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base and behavioural response.

Income Tax: reduce the additional rate threshold from £150,000 to £125,140 from April 2023

Measure description

The additional rate threshold, where individuals start paying the additional rate of tax at 45%, is currently set at £150,000. This measure lowers the additional rate threshold to £125,140; the point at which individuals above this do not receive a personal allowance, from April 2023.

The cost/tax base

The tax base consists of all income between the old and new additional rate threshold. It comes from HMRC's Personal Tax Model which is currently based on the 2019-20 Survey of Personal Incomes (SPI) projected into the future using OBR's forecast for personal income growth.

Costing

The costing is estimated by applying the pre- and post-measure tax regimes to the tax base described above. The costing accounts for behavioural effects including individuals potentially reducing their taxable income and bringing some of their income forward to reduce their exposure to the tax increase.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	+80	+420	+790	+770	+800	+855

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base and behavioural response.

Capital Gains Tax: reduce the annual exempt amount from £12,300 to £6,000 from April 2023 then £3,000 from April 2024

Measure description

This measure reduces the Capital Gains Tax (CGT) annual exempt amount (AEA) which is currently set at £12,300 for individuals and personal representatives and £6,150 for most trustees.

- for 2023-24 the AEA will be £6,000 for individuals and personal representatives and £3,000 for most trustees.
- for 2024-25 and beyond the AEA will be permanently fixed at £3,000 for individuals and personal representatives and £1,500 for most trustees.

The measure also fixes the CGT proceeds reporting limit at £50,000. This measure will have effect from April 2023.

The cost/tax base

Individuals, trustees of settlements (trustees) and personal representatives who realise gains chargeable to capital gains tax will be impacted by the measure. The tax base is established using HMRC administrative data for the 2020-2021 tax year. The tax base is grown in line with OBR's Capital Gains Tax forecast.

Costing

The static costing is estimated by applying the pre- and post-measure tax regimes to the tax base described above. The costing accounts for multiple behavioural responses including bringing forward disposals, reducing investments, taking earnings as income as opposed to capital gains and knock-on impacts on Stamp Duty Land Tax revenues.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	+25	+275	+425	+435	+440

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base and behavioural response.

Vehicle Excise Duty: equalise treatment of electric and internal combustion engine vehicles from April 2025

Measure description

This measure will equalise the VED liability of all alternatively fuelled vehicles (AFVs) and internal combustion engine (ICE) vehicles from April 2025. This change will apply to both new and existing AFVs.

The cost/tax base

The tax base is the UK stock of AFVs, grown in line with OBR determinants. This stock is expected to increase substantially over the forecast period, reflecting changing consumer preferences and the impact of the Zero Emissions Vehicle mandate. The mandate increases the proportion of battery electric vehicles (BEVs) that manufacturers need to sell until new ICE cars and vans, and new Hybrids, are completely phased out.

Costing

The costing is estimated by applying the pre- and post-measure tax regimes to the tax base described above. The behavioural impact of this measure is assumed to be negligible, although a small amount of forestalling is assumed to happen in March 2025.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	0	0	+515	+985	+1,595

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base.

Company Car Tax: set rates from 6 April 2025 to 5 April 2028

Measure description

This measure increases Company Car Tax (CCT) percentages by 1 percentage point for Electric Vehicles (EVs) and the <75g CO₂ Ultra Low Emissions Vehicles (ULEV) band in 2025-26. Rates will increase a further 1 percentage point in 2026-27 and a further 1 percentage point in 2027-28, with rates for all other bands increased by +1% up to a maximum Appropriate Percentage (AP) of 37%.

The cost/tax base

The tax base is estimated from HMRC's Company Car Statistics. The tax base is projected in line with OBR determinants and forecasts of the shares of CCT cars by fuel type, consistent with the car sales forecasts underpinning HMRC's Vehicle Excise Duty (VED) forecasts.

Costing

The static costing is estimated by applying the pre- and post-measure tax regimes to the tax base described above. The behavioural impact of this measure is assumed to be negligible.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	0	0	+95	+155	+245

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base, specifically the number of CCT paying individuals in the forecast period.

National Insurance: maintain the secondary threshold for employer contributions at current level from April 2023 until April 2028

Measure description

This measure maintains the National Insurance contributions (NICs) secondary threshold at 2022-23 levels from April 2023 to 2027-28.

The cost/tax base

The tax base is pay between the secondary threshold and what the secondary threshold would have been if uprated CPI, which is estimated via the HMRC Personal Tax Model using Survey of Personal Incomes data for 2019-20, projected using OBR economic determinants.

Costing

The costing is estimated by applying the pre- and post-measure tax regimes to the tax base described above. Adjustments are made to take account of the behavioural response including potential increases in future incorporations.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	+3,145	+5,340	+5,370	+5,440	+5,825

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base.

Pillar 2 rules: UK implementation of global minimum corporate tax reforms from 31 December 2023

Measure description

Pillar 2 of the OECD corporate tax reforms will ensure that multinational enterprises pay a minimum 15% rate of tax on profit in every country in which they operate.

For accounting periods beginning on or after 31 December 2023:

- an Income Inclusion Rule (IIR) will require large UK headquartered multinational groups to pay a top-up tax where their foreign operations have an effective tax rate of less than 15%, and
- a supplementary Qualified Domestic Minimum Top-up (QDMTT) tax rule will require large groups to pay a top-up tax where their UK operations have an effective tax rate of less than 15%.

They will apply to large businesses operating in the UK with global revenues over 750m euros.

The cost/tax base

The tax bases are established using data from different sources on the accounting profit and tax of groups' UK and foreign operations. Extrapolating from a sample of UK subsidiaries, data has been adjusted to bring it more in line with the measure of profit and tax that will be used in calculating effective tax rates under the agreed OECD Pillar 2 framework.

Costing

The static costing is estimated by applying to the tax base described above a top up tax percentage which is set to ensure profits are taxed at the minimum effective tax rate of 15%. The model includes assumptions capturing behavioural responses of both groups and individual foreign jurisdictions.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	+335	+2,110	+2,085	+2,155	+2,255

Areas of uncertainty

The main uncertainties in this costing relate to estimating Pillar 2 profits and taxes for foreign subsidiaries of UK groups, the behavioural responses of groups and other jurisdictions and the future distribution of revenues and profits that are subject to a low level of taxation.

R&D tax reliefs: rebalance generosity of reliefs from 1 April 2023

Measure description

This measure changes the relief that can be claimed by businesses through the research and development expenditure credit (RDEC) and the research and development tax relief for small and medium-sized enterprises (SME). The new rates will be 20% for RDEC, 86% additional deduction for SME, and 10% for SME payable credit will take effect from April 2023.

The cost/tax base

The tax base is the qualifying research and development (R&D) expenditure of companies claiming payable tax credits under the SME and RDEC schemes. This was estimated using data on R&D expenditure from Corporation Tax returns, projected forward using OBR determinants.

Costing

The static costing is estimated by applying the pre- and post-measure tax regimes to the tax base described above, and then adjusting the costing to take account of behavioural effects, including businesses adjusting their R&D expenditure in response to the measure.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	+215	+620	+1,070	+1,250	+1,340

Areas of uncertainty

The main uncertainties in this costing relate to the behavioural response.

VAT: maintain registration threshold at current level to 31 March 2026

Measure description

This measure maintains the VAT registration threshold at £85,000 for a further two years, in 2024-25 and 2025-26.

The cost/tax base

The tax base is the taxable outputs, less inputs, of firms that are required by the maintaining of the VAT registration threshold to register for VAT, that would not otherwise have been registered.

Costing

The static costing is estimated by calculating the average amount of tax each affected trader will yield for the Exchequer, which is multiplied by the number of affected traders to come to an estimate for the additional revenue from the measure.

There are no additional behavioural effects expected from this measure.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	0	+310	+370	+375	+420

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base.

Climate Change Levy: rebalance rates in 2024-25 by increasing rates on natural gas and solid fuels, while freezing other rates

Measure description

This measure announces Climate Change Levy (CCL) main and reduced rates for 2024-25 and meets the commitment to rebalance the main rates on natural gas and electricity by 2025. A freeze is applied to the main rates on electricity and liquified petroleum gas (LPG), while the main rate on natural gas is increased to be equal with the main rate on electricity. The main rate on solid fuels is increased by the same proportion as the main rate on natural gas.

The reduced rates available to energy intensive businesses in the Climate Change Agreement scheme will be frozen for electricity and LPG while the reduced rates on natural gas and solid fuels will rise by RPI in 2024-25.

The cost/tax base

The tax base for this measure is derived from the OBR's forecast for the CCL. This tax base consists of energy (electricity, natural gas, solid fuels and LPG) supplied to non-domestic users in the UK.

Costing

The costing is estimated by applying the pre- and post-measure tax regimes to the tax base described above.

The behavioural response is estimated to be very small compared to the static cost.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	0	+85	+90	+95	+100

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base.

Capital Gains Tax: preventing avoidance through share exchange

Measure description

The measure deems securities in a non-UK company acquired in exchange for securities in a UK company to be located in the UK for the purpose of Capital Gains Tax (CGT). Individuals will pay tax on gains or dividend and distribution income received in respect of those securities deemed to be located in the UK in the same way as they would if the securities were in a UK company. The measure will have effect for share exchanges or schemes of reconstruction carried out on or after 17 November 2022.

The cost/tax base

Individuals who will be affected by the measure are those who hold more than 5% of shares and securities ("securities") in a UK close company and exchange some or all of those securities for an equivalent holding of securities in a non-UK company. The tax base is estimated by looking at dividend payments and disposals liable to CGT made by individuals with similar characteristics to those who will be affected by the measure. Estimates are then grown in line with the OBR forecasts of financial CGT and dividends.

Costing

The costing is estimated by applying the pre- and post-measure tax regimes to the tax base described above. The costing accounts for a number of behavioural responses including individuals reducing investment & deferring sales in CGT liable assets and attrition of the tax base.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	+95	+200	+195	+180	+160

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base and behavioural response.

Transfer pricing documentation: implementation of OECD best practice requirements from April 2023

Measure description

This measure covers the UK's adoption of the recommendation of the OECD's Base Erosion and Profit Shifting project which would require large Multinational Enterprises (MNEs) operating in the UK to follow a standardised approach to transfer pricing documentation. The measure will be effective from April 2023.

The cost/tax base

The tax base is the estimated yield from Transfer Pricing cases, projected forward using OBR determinants.

Costing

The costing is estimated by applying the assumption that Transfer Pricing cases will be closed sooner, after the introduction of the mandatory requirements, to the tax base.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	0	0	0	+50	+80

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base and the extent to which cases are settled earlier than would otherwise be the case.

HMRC: investment in compliance – tackling tax fraud

Measure description

HMRC received an additional £292m at Spending Review 2021 to expand their work to tackle non-compliance and bring in additional tax revenue. Part of this investment will fund more staff in HMRC operational teams to strengthen HMRC's approach to serious fraud.

The cost/tax base

The cost base consists of the tax gap for the targeted customer segment. This is the difference between the amount of tax that should be paid to HMRC, and what is actually paid.

Costing

The costing model has been calculated by estimating the additional tax collected by the extra additional staff based on historic performance and expectations on the future tax base.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	+5	+20	+60	+110	+155

Areas of uncertainty

Areas of uncertainty in this costing relate to the assumptions of additional tax revenue collected and staff recruitment rates.

HMRC: investment in compliance – reducing non-compliance by wealthy taxpayers

Measure description

HMRC received an additional £292m at Spending Review 2021 to expand their work to tackle non-compliance and bring in additional tax revenue. Part of this investment will fund more staff in HMRC operational teams to increase HMRC's capacity to deal with complex tax risks amongst wealthy taxpayers.

The cost/tax base

The cost base consists of the tax gap for the targeted customer segment. This is the difference between the amount of tax that should be paid to HMRC, and what is actually paid.

Costing

The costing model has been calculated by estimating the additional tax collected by the extra additional staff based on historic performance and expectations on the future tax base.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	+10	+45	+80	+110	+130

Areas of uncertainty

Areas of uncertainty in this costing relate to the assumptions of additional tax revenue collected and staff recruitment rates.

Stamp Duty Land Tax: ending the Growth Plan 2022 change on 31 March 2025

Measure description

After 31 March 2025, the residential nil-rate threshold will return to £125,000 from £250,000 and the First Time Buyers' Relief nil-rate threshold will return to £300,000 from £425,000. The maximum amount that an individual can pay while remaining eligible for First Time Buyers' Relief will return to £500,000 from £625,000.

The cost/tax base

The tax base is all forecasted residential property transactions that see a tax reduction under the measures announced on 23 September 2022 in the Growth Plan. This is derived from using HMRC's SDLT microsimulation model based on HMRC administrative data.

Costing

The static costing is estimated by applying the pre- and post-measure tax regimes to the tax base described above.

The main behavioural impacts of the measure are on prices, transactions, and forestalling.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	-30	-95	+180	+850	+1,440	+1,635

Areas of uncertainty

The main uncertainties in this costing relate to house prices and behavioural responses.

Van benefit charge: uprate with CPI in 2023-24

Measure description

The van benefit charge is imposed when an employer provides their employee with a van which is available for private use. A charge is not incurred for commuting where other conditions are met. This measure will increase the van benefit charge in 2023-24 in line with growth in CPI.

The cost/tax base

The tax base is the projected value of the van benefits from HMRC administrative data.

Costing

The costing is produced by considering the increase in the value of van benefit given the increase in the charge. No significant behavioural adjustments are made to the static costing.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	+15	+15	+15	+15	+15

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base.

Car fuel benefit charge: uprate with CPI in 2023-24

Measure description

The car fuel benefit charge is imposed when an employer provides an employee with fuel for a company car that is available for private use. This measure will increase the car fuel benefit charge in 2023-24 in line with growth in CPI.

The cost/tax base

The tax base is the projected value of the car fuel benefits from HMRC administrative data.

Costing

The costing is produced by considering the increase in the value of car fuel benefit given the increase in the charge. No significant behavioural adjustments are made to the static costing.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	+10	+10	+10	+10	+10

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base.

First Year Allowance for electric vehicle chargepoints: extend for a further two years until April 2025

Measure description

The measure will extend the Enhanced Capital Allowance for the purchase and installation of electric vehicle chargepoints by businesses to 31 March 2025 for Corporation Tax purposes, and 5 April 2025 for Income Tax purposes.

The cost/tax base

The tax base is based on data from HMRC's CT600 tax return and self-assessment data, projected forward using forecasts of the proportion of new cars that are electric vehicle registrations.

Costing

The static costing is estimated by applying the pre- and post-measure tax regimes to the tax base described above.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	-5	-25	-30	-5	+5	+10

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base.

Carbon Price Support: maintain rates at a level equivalent to £18 t/CO2 in 2024-25

Measure description

The Carbon Price Support (CPS) rates work with the UK Emissions Trading Scheme (ETS) to create the carbon price for electricity generators in Great Britain.

This measure will maintain CPS rates of the Climate Change Levy and the effective rate on oils via Fuel Duty at the equivalent of £18 per tonne of carbon dioxide (t/CO2) in 2024-25.

The cost/tax base

The tax base is made up of fossil fuels used for electricity generation in Great Britain.

BEIS provides the estimated tax base, produced using the Dynamic Dispatch Model (DDM).

Costing

The static costing is estimated by applying the pre- and post-measure tax regimes to the tax base described above.

The behavioural response is estimated to be negligible.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	0	-5	-5	-5	-5

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base.

Import tariff changes since Spring Statement 2022

Measure description

This measure includes amendments to the UK's integrated tariff schedule. The main changes relate to a package of tariff suspensions, which the government will be introducing shortly, and will be in force for 2 years. This measure also includes additional sanctions implemented on selected imports originating in Russia and Belarus. This relates to the 35 percentage point increase in the tariff rate for certain goods originating in Russia or Belarus, as well as the import bans on certain goods originating from Russia or Belarus.

The cost/tax base

The tax base is the Customs Duty revenue the government would expect to receive on the commodities impacted by this measure had the tariff changes not been implemented. The tax base is grown over the forecast horizon using the OBR determinants of non-oil imports.

Costing

The static costing is estimated by applying the pre- and post-measure tax regimes to the tax base described above. For the tariff suspensions, a behavioural adjustment is made to account for the proportion of traders that utilise the suspended tariff rates and the incentive for traders to forestall by bringing forward imports, to avoid paying duty once the measure ends.

For the changes to tariffs and bans on Russian and Belarusian imports, a behavioural adjustment is made to account for: traders who choose to stop importing goods from Russia and Belarus; and traders who choose to substitute this trade and increase their imports from other countries.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	-25	-160	-150	-15	-15	-15

Areas of uncertainty

The main uncertainty in this costing is the size of the behavioural response.

Pension Credit: uprate Standard Minimum Guarantee by CPI in 2023-24

Measure description

This measure uprates the Standard Minimum Guarantee (SMG) in Pension Credit (PC) in April 2023 by CPI inflation, ensuring that it maintains its value in line with the increase in the level of prices.

The cost/tax base

The pre-measure base is established by using Autumn Budget 2022 forecasts of PC and Housing Benefit (HB) expenditure to estimate the level of spending before the implementation of the uprating policy.

Costing

To estimate the static (pre-behavioural) costing, the Annually Managed Expenditure (AME) costs of uprating SMG in 2023-24 are estimated using CPI for the year to September (10.1%). The AME impacts include those for the pension-age HB associated with HB personal allowance matching the equivalent SMG rates in PC. No behavioural impacts are expected.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	-700	-720	-710	-700	-700

Areas of uncertainty

The main uncertainties in this costing relate to the size of the cost base.

Benefit cap levels: uprate by CPI in 2023-24

Measure description

The benefit cap will be increased in line with September CPI, so that more households will see their payments increase as a result of uprating from April 2023. The cap will be raised from £20,000 to £22,020 for families nationally and from £23,000 to £25,323 in Greater London, while for single adults it will be raised from £13,400 to £14,753 nationally and from £15,410 to £16,967 in Greater London.

The cost/tax base

The cost base is estimated using DWP's policy simulation model, which is aligned to the DWP working age caseload forecasts.

Costing

DWP's policy simulation model allows for a comparison between overall cap deductions from Housing Benefit and Universal Credit before and after the policy change. The number of households that gain from the uprated cap levels and the average weekly amount of benefit they gain are combined to calculate the cost for each year.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	-315	-465	-485	-490	-510

Areas of uncertainty

The main uncertainties in this costing are around the cost base and behavioural responses. The capped population makes up a relatively small proportion of the total sample in the Family Resources Survey. This provides the underlying data for the policy simulation model. The costing is therefore sensitive to the nature of the sample cases in this particular survey.

Support for Mortgage Interest: reduce wait period from 9 to 3 months and abolish the zero earnings rule

Measure description

To support mortgage borrowers with rising interest rates, from Spring 2023, the government will allow those on Universal Credit to apply for a loan to help with interest repayments after three months, instead of nine. The government is also abolishing the zero earnings rule to allow claimants to continue receiving support while in work and on Universal Credit.

The cost/tax base

The cost base is estimated using benefit expenditure forecasts and economic determinants as forecast by the OBR.

Costing

The costing estimates the extra SMI loans resulting from the changes to the eligibility criteria. The model uses OBR consistent forecasts for qualifying benefits, applies the proportion eligible for an SMI loan and a proportion taking up an SMI loan to forecast the annual SMI loan caseload.

The exchequer impact below shows the impact of the measure on public sector net borrowing. This does not capture the impact of the measure on loans advanced which affects public sector net debt. This specific impact is show in Table 5.1 of the Autumn Statement document.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	Neg	+5	+5	+10	+15

Areas of uncertainty

The main uncertainties in this costing relate to the size of the cost base.

Social housing: cap rent increases below CPI in 2023-24

Measure description

This is a temporary amendment to the government's policy on maximum annual increases for social housing rents, which currently permits rents to increase by up to CPI+1% each year. This temporary amendment implements a 7% ceiling on rent increases for 2023-24 only, before reverting to CPI+1% for annual rent increases in 2024-25.

This policy change applies to social housing provided by Registered Providers (including Local Authorities and Housing Associations). However, Supported Housing provided by Registered Providers will be excepted from having to comply with this policy, therefore rents will be allowed to rise by up to CPI+1% in 2023-24 for this accommodation.

The cost/tax base

The cost base consists of the OBR forecasts for both welfare spending and for local authority Housing Revenue Account income and expenditure.

Costing

The costing estimates the change in welfare spending, local authority rental income and local authority spending as a result of the policy change.

The reduction in welfare spending covers both local authority and housing associations tenants, whereas the offsetting reduction in rental income (and reduction in spending) is for just local authorities, given that housing association income and expenditure is not on government's balance sheet.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	+135	+135	+120	+115	+125

Areas of uncertainty

The main uncertainty in this costing relates to local authorities' behavioural response to a rent cap.

Employment and Support Allowance: delay managed move to Universal Credit until 2028

Measure description

This measure will push back the managed migration of those on income-related Employment and Support Allowance (ESA) to Universal Credit (UC) (and not receiving Child Tax Credit) to April 2028.

The cost/tax base

The cost base is estimated using OBR forecasts for legacy benefit caseloads, estimates of the proportion of ESA claimants with higher entitlement, and the average amount of transitional protection needed for those claimants who would have lower entitlement on UC.

Costing

The costing for this measure reflects the net changes in entitlement for ESA claimants who would have moved to UC via managed migration. There are no additional behavioural effects expected from this measure.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	0	+25	+230	+445	+320

Areas of uncertainty

The main uncertainties in this costing relate to the future size of the ESA caseload and estimations of voluntary moves to UC.

Housing Benefit and Pension Credit: delay merger until 2028

Measure description

The government plans to create a new housing element of Pension Credit (PC), replacing Housing Benefit (HB) – a legacy benefit that is being rolled into Universal Credit for working-age claimants. This measure pushes back the assumed date for implementation from April 2025 to April 2028.

The cost/tax base

The cost base is estimated using benefit expenditure forecasts and economic determinants as forecast by the OBR.

Costing

Following the merger, it is assumed that there will be an increase in pensioner HB take-up from PC claimants who are entitled to HB but not currently claiming it, and vice versa. Delaying the merger therefore reduces spending compared to the counterfactual.

To align with the OBR's assumption on Move to Universal Credit, the costing note assumes the date of the merger moves from October 2026. The government's previous planning assumption was April 2025.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	0	0	0	+15	+130

Areas of uncertainty

The main uncertainty in this costing is around the behavioural response in take-up once HB is part of PC.

DWP: additional investment in tackling fraud and error

Measure description

This measure will expand DWP's Targeted Case Review team and counter-fraud and compliance functions to help reduce fraud and error in the welfare system. These two policies are expansions of current programmes conducted by DWP.

The cost/tax base

The cost base includes forecasts for benefit expenditure and for overpayments and recoveries, as well as internal data and modelling on the success rates of current prevention activity and overpayments/underpayments detected and recovered.

Costing

The costing for this measure reflects the current and expected levels of fraud and error, and planned staff volumes and staff productivity in terms of finding and recovering fraud and error. The costing does not account for any behavioural impacts.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	Neg	-15	+140	+645	+1,115	+1,715

Areas of uncertainty

The main uncertainties in this costing are around assumptions on productivity rates of the activities and average values of overpayments detected.

Energy Profits Levy

Measure description

In May, the government introduced the Energy Profits Levy (EPL): a new 25% surcharge on the extraordinary profits that the oil and gas industry is making, effective from 26 May 2022.

The cost/tax base

The tax base comprises of taxable profits from oil and gas exploration and production companies operating in the UK or on the UK Continental Shelf (UKCS), subject to specific exclusions and allowances set out in the policy description. This is estimated using HMRC's North Sea oil and gas forecasting model which uses information from annual surveys by the North Sea Transition Authority of operating companies, alongside information from tax returns. The tax base grows over the forecast period in line with OBR's forecasts for production, expenditure and oil and gas prices.

Costing

The costing is estimated by applying the pre- and post-measure tax regimes to the tax base described above. A behavioural response is assumed in the costing, which accounts for a very small increase in non-compliance but assumes no impact on investment in the UKCS.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	+6,060	+7,375	+5,545	+3,215	0	0

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base which is very sensitive to oil and gas prices.

R&D tax reliefs: extend to data & cloud costs and refocus reliefs towards UK innovation

Measure description

This measure will add data licensing and cloud computing expenditure as qualifying expenditure for Research and Development (R&D) tax reliefs and removes overseas subcontracting and non-UK payroll externally provided workers as qualifying expenditure for R&D tax relief, with exemptions for R&D expenditure that cannot be conducted within the UK.

This measure will be effective from 1 April 2023.

The cost/tax base

The tax base consists of amount of qualifying expenditure related to data and cloud. This was estimated using data on R&D expenditure from Corporation Tax returns and external surveys. R&D expenditure that is attributed to overseas subcontracting and non-UK payroll externally provided workers, except for R&D expenditure that is exempt under the new measure. This was estimated using data on R&D expenditure from Corporation Tax returns and external surveys, projected forward using OBR determinants.

Costing

The static costing is estimated by applying the pre- and post-measure tax regimes to the tax base described above, and then adjusting the costing to take account of behavioural effects, including businesses adjusting their R&D expenditure in response to the measure.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	0	-20	-40	-55	-70

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base and behavioural response.

Tax exemptions for compensation payments

Measure description

This costing note relates to the cost of exempting personal tax liabilities incurred as a result of the Infected Blood Interim Compensation Payment Scheme and Post Office compensation payments for Overturned Historic Convictions.

The cost/tax base

The tax bases for both schemes are estimated by multiplying the expected number of recipients of each compensation scheme by the average expected pay out.

Costing

The static costing is estimated by applying the pre- and post-measure tax regimes to the tax base described above. No behavioural effects have been estimated in this costing as possible effects are judged to be negligible.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	-140	-30	-25	-20	0

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base.

Capital Gains Tax: extend the period for no gain/no loss transfers to three years for couples that separate or divorce

Measure description

This measure increases the period in which spouses and civil partners who are in the process of separating can make no gain and no loss transfers of assets between themselves to 3 years; and unlimited time if the assets are the subject of a formal divorce agreement. Previously, separating couples had until the end of the tax year of their separation. It also introduces rules that apply to individuals who have maintained a financial interest in their former family home following separation and that apply when that home is eventually sold. These changes apply to transfers that occur on or after 6 April 2023.

The cost/tax base

The tax base consists of the transfer of assets between separating spouses and civil partners which are not completed before the end of the tax year in which the separation takes place. The value of assets is estimated using Self Assessment returns data and is grown in line with OBR's Capital Gains Tax forecast.

Costing

The static costing is estimated by applying the pre- and post-measure tax regimes to the tax base described above.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	-5	-10	-10	-10	-15

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base.

IFRS17 transitional rules

Measure description

IFRS17 is a new international accounting standard that changes the way insurance contracts are accounted for. It becomes mandatory for UK companies reporting under International Accounting Standards for accounting periods beginning on or after 1 January 2023. Life insurers will have a large one-off transitional profit or loss arising from the transition to IFRS17, depending on the nature of the business written. This measure will partly mitigate the tax consequences of these effects by spreading over 10 years certain amounts that would otherwise be subject to Corporation Tax immediately upon the adoption of IFRS17.

The cost/tax base

The tax base is estimated using the OBR's forecast for life assurance Corporation Tax, adjusted with a sampled estimate of the impact of the introduction of IFRS17 on firm profits.

Costing

The static costing is estimated by applying the pre- and post-measure tax regimes to the tax base described above.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	-60	+140	+65	+100	+110	+40

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base.

DWP: residency test exemption for arrivals from Ukraine

Measure description

On 22 March 2022, the government introduced legislation which provided an exemption from the Habitual Residence test and Past Presence Test for Ukrainians arriving in the UK under the Homes for Ukraine and Ukrainian Family Schemes. Exemption from these residency tests allowed Ukrainians to access DWP income-based and disability benefits from the day they arrived in the UK.

The cost/tax base

The cost base is estimated using the OBR's benefit expenditure forecasts and an estimation of the number of visa applications from Ukrainians under the Homes for Ukraine and Ukrainian Family Schemes.

Costing

The static costing assumes the exemption from the Habitual Residence Tests and Past Presence Test will provide Ukrainians with access to benefits earlier than they would have otherwise been able to access these. The total cost is given as the amount spent providing these income-based and disability benefits to Ukrainians on the above visa schemes for the period during which, without the exemption, they would have been ineligible for these benefits. There are no additional behavioural effects expected under this exemption.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	-100	-50	0	0	0	0

Areas of uncertainty

The main uncertainties in this costing relate to the cost base, with the number and family composition of Ukrainians arriving in the UK under these visa schemes being the main uncertainty.

DWP: Personal Independence Payment Award Review Queue

Measure description

The Award Review Queue (ARQ) is an operational measure to handle Personal Independence Payment (PIP) award reviews. It allows DWP to manage the referral of award reviews to assessment providers in line with changes in demand. This measure scores the fiscal impacts arising from the existence of the ARQ until March 2023.

The cost/tax base

The cost base is estimated using PIP expenditure forecasts and economic determinants as forecast by the OBR.

Costing

The cost was estimated by comparing the outputs from the updated forecasting models (with ARQ in operation) against a baseline output where the ARQ is not in operation.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	-50	-70	Neg	0	0	0

Areas of uncertainty

The main uncertainties in this costing relate to the average change in awards at award reviews and any knock-on impacts to other benefits.

DWP: pause full Personal Independence Payment rollout

Measure description

This measure scores the fiscal impacts arising from pausing the managed migration of remaining claimants of legacy Disability Living Allowance (DLA) to Personal Independence Payment (PIP) until April 2028.

The cost/tax base

The cost base is estimated using expenditure forecasts for DLA and PIP, and economic determinants as forecast by the OBR.

Costing

The costing is estimated by calculating the difference between the previous and the new migration schedule, factoring in potential knock-on effects to claims for Employment and Support Allowance (ESA) and Carer's Allowance (CA), with which PIP and DLA can interact.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	+5	+105	+240	+255	+270

Areas of uncertainty

The main uncertainties in this costing are that exits, average award amounts and natural migration from DLA to PIP will be similar to the DLA and PIP model forecasts.

Additional costs associated with extending student finance eligibility to individuals on Ukraine visa routes from 1 August 2022

Measure description

Eligibility to Higher Education (HE) student support, home fee status, capped tuition fees, Advanced Learner Loans and access to funding for further education 19+ is being extended to those entering the UK under either the Homes for Ukraine scheme, the Ukraine family scheme or the Ukraine extension scheme. This came into effect for new and continuing students from 1 August 2022.

The cost/tax base

It is assumed that the students affected by this policy would not otherwise take up student loans. The cost base is therefore zero.

Costing

The static costing assumes that 6% of 18-25 year old arrivals from Ukraine will enter HE each year (the number of arrivals is estimated from statistics and modelling from DLUHC and ONS); students will receive the maximum fee and maintenance loans and will repay at the rate of average English-domiciled borrowers.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	-5	-15	-20	-20	-15	-10

Areas of uncertainty

The main areas of uncertainty relate to the number of student borrowers in scope of the policy and the behavioural response.

Income Tax: maintaining the basic rate at 20%

Measure description

This measure indefinitely delays the decrease to the Income Tax basic rate from 20% to 19% from 2024-25. The basic rate will remain at 20% indefinitely for England, Wales and Northern Ireland.

This will apply to the basic rate of non-savings, non-dividend income for taxpayers in England, Wales and Northern Ireland; the savings basic rate which applies to savings income for taxpayers across the UK; and the default basic rate.

The cost/tax base

The tax base is estimated via the HMRC Personal Tax Model using Survey of Personal Incomes data for 2019-20, projected using OBR economic determinants.

Costing

The costing is estimated by applying the pre- and post-measure tax regimes to the tax base described above. Small adjustments are made to take account of the behavioural response, including individuals decreasing their taxable income in response to the rate increase and a small increase in incorporations of businesses.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	0	+5,970	+6,715	+6,630	+6,795

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base and behavioural response.

National Insurance: reverse temporary 1.25pp increase in NICs rates from November 2022, and cancel the Health and Social Care Levy

Measure description

This measure reverses the temporary 1.25 percentage point increase to both the main and additional rates of Class 1, Class 1A, Class 1B and Class 4 National Insurance contributions for the 2022 to 2023 tax year. From 6 November 2022 onwards, the National Insurance contributions (NICs) rates will decrease back to 2021 to 2022 tax year levels. The 1.25% Health and Social Care Levy will not come into force as a separate tax from 6 April 2023, as previously planned.

The cost/tax base

The tax base includes all individuals and partnerships who pay employee and self-employed NICs and all employers paying employer NICs from November 2022; and those over State Pension age earning above the Primary Threshold/Lower Profits Limit from April 2023. The tax base is estimated via HMRC's Personal Tax Model using the 2019-20 Survey of Personal Incomes (SPI), projected forward using the OBR's forecast.

Costing

The static costing is estimated by applying the pre- and post-measure tax regimes to the tax base described above, accounting for any knock-on impact on welfare payments. The costing accounts for a number of behavioural responses including individuals potentially increasing their taxable income in response to the rate decrease and any changes to future incorporations of businesses.

It should be noted that the OBR expect there to be further indirect effects on the economy as the result of this measure which reduce the net fiscal cost. Both the gross and net figures accounting for these effects are shown in Table 5.1 of the Autumn Statement Document.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	-7,070	-16,685	-16,535	-16,855	-17,370	-17,955

Areas of uncertainty

The main uncertainties in this costing relate to the size of the tax base and behavioural response.

Stamp Duty Land Tax: increases to nil-rate thresholds from 23 September 2022

Measure description

In the Growth Plan 2022, the government announced this measure which increased the residential nil-rate threshold under SDLT from £125,000 to £250,000. The nil-rate threshold under First Time Buyers' Relief was also increased from £300,000 to £425,000, with the maximum property purchase value for which relief can be claimed increased from £500,000 to £625,000. This measure was effective from the date of announcement on 23 September 2022.

The cost/tax base

The tax base is derived using the SDLT microsimulation model with a base year period of 2019-20. The transactions are then grown in line with OBR determinants.

Costing

The static costing is estimated by applying the pre- and post-measure tax regimes to the tax base described above. The costing accounts for a behavioural response whereby there is a change in transactions and house prices.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	-745	-1,085	-1,045	-1,195	-1,440	-1,635

Areas of uncertainty

The main uncertainties in this costing relate to the behavioural response.

Annual Investment Allowance: permanently set at £1m from April 2023

Measure description

The Annual Investment Allowance (AIA) provides businesses with a 100% tax deduction on qualifying investment up to an annual level. In the Growth Plan 2022, the government set the annual level permanently at £1 million, rather than reverting to £200,000 from 1 April 2023.

The cost/tax base

The tax base is qualifying expenditure in excess of the baseline AIA level (£200,000).

Costing

The costing is projected across the scorecard horizon using OBR's private non-financial companies Gross Fixed Capital Formation forecast determinant (ICC), adjusted to exclude North Sea investment.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	-290	-1,015	-1,555	-1,495	-1,435	-1,360

Areas of uncertainty

The main areas of uncertainty in this costing relate to the size of the tax base.

Venture capital schemes: increase Seed Enterprise Investment Scheme limits from April 2023

Measure description

This measure will make four changes to the limits of the Seed Enterprise Investment Scheme (SEIS).

- An increase in the company lifetime limit from £150,000 to £250,000
- An increase in the company qualifying trade age limit from 2 to 3 years
- An increase in the company gross asset limit from £200,000 to £350,000
- An increase in the individual investor limits (for both Income Tax and Capital Gains Tax separately) from £100,000 to £200,000.

This measure will be effective from April 2023.

The cost/tax base

The tax base consists of funds raised by companies under the SEIS and Enterprise Investment Scheme (EIS), which is estimated using HMRC administrative data. The tax base is grown over the forecast horizon using the OBR's forecast for business investment and equity prices.

Costing

The costing is estimated by applying assumptions on the extra investment raised by companies under the SEIS that is induced by the policy changes. The costing also accounts for the impact of companies that would have had to use the EIS now being able to access the SEIS for some or all of their investment.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	0	-25	-20	-20	-20

Areas of uncertainty

The main uncertainties in this costing relate to the size of behavioural response.

Employee share schemes: Company Share Option Plan reforms from April 2023

Measure description

This measure will increase the employee option limit under the Company Share Option Plan (CSOP) to £60,000. The measure will also relax the 'worth having' restriction on share classes to allow companies with multiple share classes to better access the scheme. This measure will take effect from 6 April 2023.

The cost/tax base

The tax base is estimated using share scheme data on options granted and exercised from the Employment Related Securities (ERS) system for 2019-20. This is also matched with data that HMRC holds on total companies to estimate take-up rates within the eligible population. The value of shares and therefore the tax relief granted is grown over the scorecard period using the OBR's forecast for equity prices.

Costing

The costing is estimated by applying the pre- and post-measure tax regimes to the tax base described above. The costing accounts for a behavioural response whereby there is an increase in new users and take-up rates from the increased option limit and newly eligible companies with multiple share classes.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	0	-10	-15	-20	-85	-125

Areas of uncertainty

The main uncertainties in this costing relate to the size of the behavioural response.

Alcohol duty reform: changes to the new alcohol duty system (following the consultation after Autumn Budget 2021)

Measure description

This measure will delay the alcohol reforms package, announced at Autumn Budget 2021, to August 2023. It will also include adjustments to the package, including replacing Small Brewers Relief (SBR) with a Small Producers Relief (SPR) and an 18 month easement for some wine products. The costing assumes that this measure will be effective from 1 August 2023. This date is subject to confirmation through the consultation process.

The cost/tax base

The tax base for this measure is the OBR's forecast for taxable alcohol consumption (otherwise known as 'clearances'). The tax base for SPR is determined by producer returns data, projected using OBR growth forecasts and trend in SBR claimants.

Costing

The static costing is estimated by applying the pre- and post-measure tax regimes to the tax base described above. With the exception of SPR, a behavioural adjustment is made to account for a change in quantities of alcohol demanded as a result of a change in prices. Reformulation and forestalling assumptions are used to allow for producers and consumers responding to new tax incentives. No behavioural adjustments are made for SPR.

Exchequer impact (£m)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Exchequer impact	+25	-25	-80	-25	-25	-25

Areas of uncertainty

The main uncertainties in this costing relate to the size of the behavioural response.

Annex A

Indexation in the public finance forecast baseline

The following table shows the indexation assumptions that have been included in the public finances forecast baseline, including all pre-announcements, for Autumn Statement 2022 policy costings. This does not include the changes made at Autumn Statement 2022.

Forecast area	Element	Default indexation assumed in the baseline	Previously announced policy changes from 2022-23 onwards
Income Tax	Personal Allowance	Increase by September CPI, rounded up to the nearest £10	Maintained at its 2021-22 level up to and including 2025-26.
	Basic Rate Limit	Increase by September CPI, rounded to the nearest £100	Maintained at its 2021-22 level up to and including 2025-26.
	Personal savings allowance	Fixed at £1,000 for basic rate taxpayers and £500 for higher rate taxpayers	
	Dividend Allowance	Fixed at £2,000	
	Starting rate limit for savings income	Increase by September CPI, rounded up to the nearest £10	Maintained at its 2021-22 level up to and including 2022-23.
	Threshold for additional rate	Fixed at £150,000	
	Income limit for tapered withdrawal of Personal Allowance	Fixed at £100,000	
	Pensions Tax Relief – annual allowance	Fixed at £40,000	
	Pensions Tax Relief – tapered annual allowance	Threshold income: fixed at £200,000 Adjusted income: fixed at £240,000	
	Pensions Tax relief – Money Purchase Annual Allowance	Fixed at £4,000	
	Pensions Tax Relief – Lifetime Allowance	Increase by September CPI, rounded up to the nearest £100	The Pensions Lifetime Allowance will remain at its 2020-21 level up to and including 2025-26.
	Individual Savings Accounts – annual	Increase by September CPI, rounded to the	Autumn Budget 2021 announced the adult ISA

	subscription limit	nearest £120	subscription limit would be maintained at £20,000 for 2022-23.
	Adjusted Net Income threshold for High Income Child Benefit Charge (HICBC)	Fixed at £50,000	
	Marriage Allowance	Fixed at 10% of the Personal Allowance	
	Married Couple's Allowance	Increase by September CPI, rounded to nearest £10	
	Blind Person's Allowance	Increase by September CPI, rounded to nearest £10	
National Insurance contributions	Lower Earnings Limit	Increase by September CPI, rounded down to the nearest £1pw	
	Small Profits Threshold	Increase by September CPI, rounded down to the nearest £1pw	
	Primary Threshold	Increase by September CPI, rounded down to the nearest £1pw	Maintained at its 2023-24 level up to and including 2025-26.
	Lower Profits Limit	Increase by September CPI, rounded down to the nearest £1pw	Maintained at its 2023-24 level up to and including 2025-26
	Point at which self-employed individuals start to incur liability for Class 2 NICs	Aligned with the Lower Profits Limit	
	Secondary Threshold	Increase by September CPI, rounded down to the nearest £1pw	
	Upper Earnings Limit / Upper Profits Limit/ Upper Secondary Threshold / Apprentice Upper Secondary Threshold / Veterans' Upper Secondary Threshold	Aligned with Income Tax Higher Rate Threshold (HRT)	Maintained at its 2021-22 level up to and including 2025-26.
	Freeports Upper Secondary Threshold	Fixed at £25,000	
	Contribution rates	Fixed percentage, apart from Class 2 and Class 3 weekly rates which increase by September CPI, rounded to the nearest 5p	

	Special Class 2 rate for share fisherman	Equal to the Class 2 weekly rate + 65p	
	Special Class 2 rate for volunteer development workers	Fixed at 5% of the Lower Earnings Limit	
	Employment Allowance	Fixed at £5,000	Increased from £4,000 to £5,000 in April 2022.
Capital Gains Tax	Main annual exempt amount	Increase by September CPI, rounded up to the nearest £100	The annual exempt amount for individuals will remain at its 2020-21 level up to and including 2025-26.
	Annual exempt amount for trustees	Half of the main annual exempt amount	The annual exempt amount for trustees will remain at its 2020-21 level up to and including 2025-26.
	Lifetime allowance for business asset disposal relief	Fixed at £1 million	
Inheritance Tax	Nil-rate band	Increase by September CPI, rounded up to the nearest £1,000	The nil-rate band will remain at its 2020-21 level up to and including 2025-26.
	Residence nil-rate band	Increase by September CPI, rounded up to the nearest £1,000	The residence nil-rate band will remain at its 2020-21 level up to and including 2025-26.
	Residence nil-rate band – threshold for tapered withdrawal	Increase by September CPI, rounded up to the nearest £1,000	The threshold for tapered withdrawal of the residence nil-rate band will remain at its 2020-21 level up to and including 2025-26.
Working-age social security benefits and payments: Jobseeker's Allowance; Income Support; Employment and Support Allowance;	All main rates	Increase by September CPI, rounded to nearest 5p	
Local Housing Allowance	All main rates	That rates remain at 22/23 cash levels.	
Universal Credit	Standard Allowance	Increase by September CPI, and rounds to nearest 1p	
	First child element	Child element of Child Tax Credit (CTC) plus family element and rounds to nearest	

		1p	
	Subsequent child element	Child element of CTC and rounds to nearest 1p	
	Disabled child lower rate	Increase by September CPI, and rounds to nearest 1p	
	Disabled child higher rate	Disabled child element of CTC plus enhanced disabled child element of CTC	
	Limited capability for work, Limited capability for work and work-related activity, carer amount.	Increase by September CPI, and rounds to nearest 1p	
	Childcare	Based on childcare element of Working Tax Credit. Rounds to nearest 1p	
	Non-dependents housing cost contribution	Increase by September CPI, and rounds to nearest 1p	
	Work Allowances	Increase by September CPI, and rounds to nearest £1	
Disability Benefits: Disability Living Allowance; Attendance Allowance; Carer's Allowance; Incapacity Benefit; and ESA work related activity and support component rates; Personal Independence Payments	All main rates	Increase by September CPI, and rounds to nearest 5p	
Statutory payments: Statutory Maternity Pay; Adoption Pay; Paternity Pay; Shared Parental Pay; Sick Pay; and Maternity Allowance	All main rates	Increase by September's CPI. Rounds to nearest 5p for Statutory Sick Pay; nearest figure divisible by 7 for all other statutory payments.	
Basic State Pension	All categories	Highest of May-July Average Weekly Earnings, September's CPI or 2.5% rounded to the nearest 5p.	Upated by the highest of September CPI inflation or 2.5% in 2022/23 only.
Additional State Pension	All categories	Increase by September's CPI,	

		rounds to the nearest 1p.	
New State Pension	All categories	Highest of May-July Average Weekly Earnings, September's CPI or 2.5% rounded to the nearest 5p.	Updated by the highest of September CPI inflation or 2.5% in 2022/23 only.
Pension Credit	Standard Minimum Guarantee	Earnings growth, rounded to the nearest 5p.	Updated by highest of September CPI or 2.5% in 2022/23 only.
	Savings Credit	Increase by September's CPI, and rounds to the nearest 1p	
Child Tax Credit	Family element	Fixed at £545 per year	
	Child element	Increases by September's CPI, rounded up to the nearest £5	
	Disability element: disabled child rate and severely disabled child rate	Increase by September's CPI, rounded up to the nearest £5	
Working Tax Credit	Basic element, 30-hour element, couple and lone parent element	Increase by September's CPI, rounded up to the nearest £5.	
	Disabled worker element and severe disability element	Increase by September's CPI, rounded up to the nearest £5	
	Maximum eligible childcare costs	Fixed at 70% of actual childcare costs, with maximum eligible costs of £175 a week for one child or £300 a week for two or more children	
Child benefit	Eldest (or only) child and subsequent children amounts	Increase by September's CPI, rounded to the nearest 5p.	
Guardian's Allowance	All children amount	Increase by September's CPI, rounded to the nearest 5p.	
Stamp duties	Stamp duty land tax thresholds for residential property freehold and leasehold	Fixed at £125,000, £250,000, £925,000 and £1,500,000	

	premium transactions		
	Stamp duty land tax thresholds for non-residential and mixed-use freehold and leasehold premium transactions	Fixed at £150,000 and £250,000	
	Stamp duty land tax thresholds on rent under new residential leases Net Present Value	Fixed at £125,000	
	Stamp duty land tax thresholds on rent under new non-residential leases - Net Present Value	Fixed at £150,000 and £5,000,000	
Annual tax on enveloped dwellings	Annual chargeable amount	Increase by September's CPI, rounded down to the nearest £50	
	Thresholds for charges	Fixed at £500,000, £1,000,000, £2,000,000, £5,000,000, £10,000,000 and £20,000,000	
Apprenticeship Levy	Rate	Fixed at 0.5% of an employer's annual pay bill	
	Allowance	Fixed at £15,000	
Climate change levy	Main Rates	Increase by September RPI	CCL main rates for gas are set at, £0.00568/kWh for 2022-23 and £0.00672/kWh for 2023-24. Electricity rates are set at 0.00775/kWh for 22-23 and 23-24. The freeze of LPG at £0.02175 per kg is continued up to and including 2023-24. Any other taxable commodity rates are set at £0.04449 per kg for 2022-23, and £0.05258 per kg for 2023-24.
	Reduced rates	Increase by September RPI	The reduced rates for each of the commodities

			are set at the following: • Electricity: 8% of the main rate up to (and including) 2023-24 • LPG: 23% of the main rate up to (and including) 2023-24 • Natural gas and any other taxable commodity: 14% in 2022-23, and 12% in 2023-24 This ensures that businesses who qualify for the reduced rates see no more than an RPI increase on the rate they pay, regardless of increases to the main rates.
	Carbon Price Support rates	Increase by September RPI	The Carbon Price Support has been frozen at the equivalent of £18 per tonne of CO2 up to (and including) 2023-24. This means the rates of each commodity taxed will be frozen at 2016 levels until March 2024.
Aggregates levy	Levy amount	Increase by September RPI	Autumn Budget 2021 announced a freeze in the aggregates levy in 2022-23.
Landfill tax	Tax rates	Increase by September RPI, rounded to the nearest 5p	Spring Budget 2021 announced an increase in the standard and lower rates of Landfill Tax for 2022-23 in line with RPI, rounded to the nearest 5p.
Plastic packaging tax	Tax rate	Increase by September CPI	PPT was introduced in April 2021. –To date there has been no public announcement on future changes to the rate.

Vehicle excise duty	Duty rates	Increase by September RPI, rounded to the nearest £1 or £5	HGV VED rates will remain frozen in 2022-23.
Heavy goods vehicle levy	Duty rates	Increase by September RPI	HGV levy is suspended until August 2023
Air passenger duty	Duty rates	Increase by September RPI, rounded to the nearest pound.	Autumn Budget 2021 announced the following reforms from 2023-24: - a new domestic band for air passenger duty, covering flights within the UK. The 2023-24 rate for economy passengers will be £6.50; - a new ultra-long-haul band, covering destinations with capitals located more than 5,500 miles from London. The 2023-24 rate for economy passengers will be £91. In 2024-25 the rates for the short and long-haul bands will then increase in line with RPI, rounded to the nearest pound.
Tobacco duties	Duty rate on all tobacco products	Increase by September RPI + 2%	Autumn Budget 2021 announced that the duty rate for hand-rolling tobacco will rise by additional 4% and minimum excise tax an additional 1% for 2022-23.
Alcohol duties	Beer, wine, spirits and cider duties	Increase by September RPI, change normally takes place on 1 February	Autumn Budget 2021 announced a freeze in 2022-23
Fuel duties	Duty rates	RPI	Autumn Budget 2021 announced a one-year freeze in 2022-23. Spring Statement 2022 announced a temporary 12-month cut to duty on petrol and diesel of 5 pence per litre.
VAT	VAT registration threshold	Increase by September RPI, rounded to the nearest £1,000	Fixed at £85,000 up to 31 March 2024.

Gaming duty	Gross gaming yield bands	Increase by September RPI, rounded to the nearest £500. Change occurs on the 1 st of April	
Business rates	Business rates multiplier	Increase by September CPI	Autumn Budget 2021 announced a one-year freeze in the multiplier at 49.9p in 2022-23.
Soft Drinks Industry Levy	Levy amount	Fixed at 18ppl on sugar content 5-8g per 100ml, 24ppl on sugar content >8g per 100ml	
Charges	Benefit-in-Kind rates for vans, van fuel and car fuel	CPI	Standard uprating by CPI and takes place every year. Usually announced as part of fiscal event but has been announced separately via a WMS in previous years.

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