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Autumn Budget 2026 tax watch

With the main taxes ruled out, attention is shifting to other revenue generators

As Chancellor John Healey delivers his first Autumn Budget on 28 October 2026, the government faces a difficult balancing act. Prime Minister Andy Burnham has committed to Labour's manifesto pledge not to raise the main rates of Income Tax, National Insurance or VAT. However, the government also faces significant spending pressures and limited scope under its fiscal rules.

That does not necessarily mean taxpayers will avoid higher taxes. The Chancellor could consider wealth, investments, property, pensions and other sources of revenue. Between now and Budget day, there is likely to be no shortage of predictions about what might happen. Much of the speculation, however, remains unconfirmed.

CAPITAL GAINS COULD COME UNDER SCRUTINY

Capital Gains Tax (CGT) is one area attracting particular attention. Possible changes could include raising CGT rates to bring them closer to Income Tax rates, or altering the reliefs and allowances available to investors and business owners. Such measures could affect people selling investments, second homes or businesses.

The annual CGT-exempt amount is already modest, so more investors could face tax on sales outside tax-efficient wrappers. Any further changes could make the timing of disposals and the use of Individual Savings Accounts (ISAs) and pensions increasingly important.

PROPERTY AND WEALTH IN FOCUS

Property taxation could also feature in the Chancellor's thinking. Speculation has centred on changes affecting higher-value properties, although the government has denied reports that it plans to replace Council Tax and stamp duty with a land value tax in the immediate Budget.

A broader tax on wealth has also been discussed, although there is currently no confirmed proposal for a new wealth tax. Inheritance Tax (IHT) could remain another area to watch, particularly as most unused pension funds are due to come within the IHT regime from April 2027.

QUIET IMPACT OF FROZEN THRESHOLDS

Tax rises do not necessarily require an increase in headline rates. Keeping allowances and thresholds frozen while wages and asset values rise can gradually increase the amount people pay through fiscal drag.

For 2026/27, the Personal Allowance remains at £12,570, while the higher rate threshold is £50,270 in England, Wales and Northern Ireland. As incomes rise, more people may find themselves paying tax or moving into higher tax bands, even though the rates themselves do not change.

BE PREPARED, NOT REACTIVE

Your financial future is too important to be shaped by rumours, headlines or knee-jerk reactions. A better approach is to understand where you stand before the Budget and identify areas that may warrant attention.

Whether you are approaching retirement, building your investments, running a business or thinking about your family's future, potential Budget changes may make it worthwhile to review your financial position.

We can consider the following areas:

- Pension contributions and retirement planning
- ISA allowances and investment planning
- Capital Gains Tax and gains on investments or other assets
- Inheritance Tax, gifting and estate planning
- Business remuneration, dividends and extraction strategies
- The suitability of your investment strategy in changing market conditions

REVIEW BEFORE THE BUDGET

You do not need to predict what the Chancellor will announce. You simply need to understand your current position and where potential changes could affect you.

By reviewing your circumstances ahead of 28 October, we can identify areas that may require further consideration. Once the Chancellor has announced the measures and the details of any subsequent legislation are known, we can assess whether action is appropriate for you.

That means less guesswork, fewer knee-jerk decisions and a financial plan tailored to your circumstances, not to the latest headline. ■

HOW COULD THE BUDGET AFFECT YOUR FINANCIAL PLANS?

If you want to discuss how potential Budget changes could affect your finances, we can help you review your position and consider whether any aspects of your financial plan should be revisited.

To discuss your concerns or to find out more, please contact us for further information.

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