

Autumn Finance Bill 2022 published

News story

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- The Autumn Finance Bill 2022 was published today (22 November 2022), legislating for key tax changes announced at the Autumn Statement last week, including raising and extending the Energy Profits Levy and lowering the additional rate threshold to £125,140.
- The Bill serves as a down payment on the government's commitment to stabilise the economy through fair policies, where those with the broadest shoulders bear the most burden
- The main Spring Finance Bill 2023 will follow the spring Budget in the usual way, for remaining tax measures needed ahead of April 2023.

Measures in the Bill will see those with the broadest shoulders carry the heaviest burden as the government drives down inflation and restores economic stability following the impact of the pandemic and Putin's invasion of Ukraine. Measures include:

- The Energy Profits Levy (EPL) is being extended to help fund cost of living support and ensure oil and gas companies pay their fair share of tax. The rate of tax applied to the profits of oil and gas companies is increasing from 25% to 35% and the sunset clause changing to March 2028 rather than December 2025. This measure also reduces the investment allowance from 80% to 29%, except for investment expenditure on upstream decarbonisation, where it will remain at 80%. This broadly maintains the existing cash value of total tax relief for non-decarbonisation investments.
- The threshold for the additional rate of income tax will be lowered from £150,000 to £125,140, making sure making sure those on the highest incomes contribute the most to strong public finances.
- The Dividend Allowance will be reduced from £2,000 to £1,000 from April 2023 and to £500 from April 2024, and the Capital Gains Tax (CGT) annual exempt amount will be reduced from £12,300 to £6,000 in April 2023, and

£3,000 in April 2024. These changes make the tax system fairer by bringing the treatment of unearned income closer in line with that of income earned by employees.

- Making sure all motorists pay a fairer tax contribution by introducing Vehicle Excise Duty (VED) for Electric Vehicles (EVs) from April 2025. This aligns their taxation with that of petrol and diesel vehicles, reflecting their permanent role in the net-zero economy of the future. Alongside this, the government will provide certainty on favourable Company Car Tax rates for electric cars until 2028.
- To ensure the tax system supports strong public finances, income tax thresholds will remain fixed at their current levels until 2028, an extension of two years.
- To help support the public finances in a way that is fair, the current thresholds for inheritance tax will also remain in place until 2028, an extension of two years.
- Research and development (R&D) tax reliefs will be reformed to make sure taxpayers' money is spent as effectively as possible, including through reducing error and fraud. From 1 April 2023 the Research and Development Expenditure Credit (RDEC) rate will be increased to 20% from 13%, the SME deduction rate will be reduced to 86% from 130%, and the Small and Medium Enterprise credit rate decreased to 10% from 14.5%.

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The Autumn Finance Bill 2022 had its first reading today (Tuesday, 22 November) and will follow the normal legislative path through Parliament.

Further information

- Read the full contents of [the Autumn Statement 2022](#)
- The below table details the full list of measures contained in the Autumn Finance Bill 2022

Clause	Measure	Implementation date
Clause 1	Energy Profits Levy (EPL) – Increase in rate of tax	Has effect for accounting periods beginning on or after 1 January 2023
Clause 2	EPL – Reducing the amount of the additional investment expenditure	Has effect in relation to expenditure incurred on or after 1 January 2023
Clause 3	EPL – Extending the period for which tax has effect	Extending the period for which the levy has effect to 31 March 2028 (previously 31 December 2025)
Clause 4	R&D Tax Reliefs – Amount of relief for expenditure on research and development	Changes apply to expenditure incurred on or after 1 April 2023
Clause 5	Income Tax Thresholds – Basic rate limit and personal allowance tax years 2026-27 and 2027-28	Sets amount of the personal allowance for the 2026-27 and 2027-28 tax years

Clause	Measure	Implementation date
Clause 6	Income Tax Additional – Threshold at which additional rate is charged	Will apply from the 2023-24 tax year onwards
Clause 7	Dividend Allowance – Dividend nil rate	Rate will reduce from £2000 to £1000 for tax year 2023-24, and then reduce from £1000 to £500 for tax year 2024-25 and subsequent years
Clause 8	Capital Gains Tax (CGT) Annual Exempt Amount (AEA)	In tax year 2023-24 the AEA will be £6000 for individuals, personal representatives and £3000 for most trustees of settlements (trusts). In tax years on and after 2024-25 it will be £3000 for individuals and personal representatives and £1500 for trusts.
Clause 9	Inheritance Tax – Rate bands etc for tax years 2026-27 and 2027-28	Thresholds will be fixed at their current levels for a further two tax years, 2026-27 and 2027-28.
Clause 10	Vehicle Excise Duty (VED) – Removal of VED exemption for electrically propelled vehicles etc	Will take effect on or after 1 April 2025
Clause 11	VED – Taxable benefits: appropriate percentage for cars with a CO2 emissions figure	Will apply to tax years 2025-26, 2026-27 and 2027-28

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