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What are the "essentials" that I need to know about the Chancellor's Autumn Statement?

The Chancellor George Osborne presented the Autumn Statement on 25th November 2015 and, as with all Autumn Statement and Budget monologues, the themes and buzzwords make themselves known very early on. The theme for the 2015 announcement was "build" and certainly some of the key tax changes introduced in respect of buildings will have a significant impact on solicitors in practice dealing with residential property – more on that later.

We knew in advance that the key focus of Mr Osborne's statement would be on the recently concluded spending review, and specifically outlining how the Government would deliver the £12bn per year welfare spending cuts it promised in its election campaign. We were therefore not surprised when the announcement was light on tax content!

The rumour mill had suggested we would see harsh new rules to combat what HMRC believe to be the widespread use of personal service companies to cause significant tax loss to the Exchequer. Changes in this area could have been of interest across a number of industries, including the legal sector, but the Chancellor was fairly silent on this point – perhaps the forthcoming Budget will pick up on this.

The Statement included a very small number of headline measures for business, including:

- An extension of the doubling of the Small Business Rate Relief for a further year
- Introducing a new apprenticeship levy set at a rate of 0.5% of an employer's wage bill for employers with payrolls of £3m or more

By far the most significant of the few tax changes introduced in the Statement were in relation to residential property:

- From 1 April 2016, higher rates of SDLT will be charged on purchases of additional residential properties (i.e. second homes and buy-to-lets) over £40k – these will be 3% above the current SDLT rates. As with all of the SDLT punitive rates introduced in recent years, the exemptions and reliefs around this new rule will need careful consideration by solicitors, most likely in consultation with tax advisers, to confirm whether they are applicable.
- From 2017/18 the SDLT filing and payment window of 30 days will reduce to just 14 days.
- From April 2019 a payment on account of any Capital Gains Tax ("CGT") due on the disposal of residential property will be required to be made within 30 days of the completion of the disposal. While for many Private Residence Relief will mean that no CGT is due, estimating the liability within such a short period of time for those who are liable for CGT on the disposal could create difficulties.

The Autumn Statement was a largely political affair rather than a Statement for business. As a reminder though, the Summer Budget of last year introduced a significant change to dividend tax rates. For practices operating as limited companies, with sufficient reserves, it's not too late to consider whether accelerating dividends could generate a tax saving for shareholders – getting the right advice is crucial on this point.

The Chancellor's next monologue – the 2016 Budget – will take place on 16th March 2016.