

# Chancellor's Autumn Statement 17 November 2022



UNDERGROUND



EVERY JOURNEY MATTERS

Please see below a summary of the main tax announcements set out in the Chancellor's Autumn Statement that may impact TfL. We will be discussing these developments with the relevant business areas but if you have any queries or require any further information please let us know.

## National Insurance Contributions (NIC)

The earnings threshold at which employers start paying NIC for their employees has been frozen at £9,100 until April 2028.

**TfL tax comment:** *The freezing of this threshold means that any salary increases over the period to April 2028 will lead to higher levels of employer's NIC being due.*

## Corporation Tax

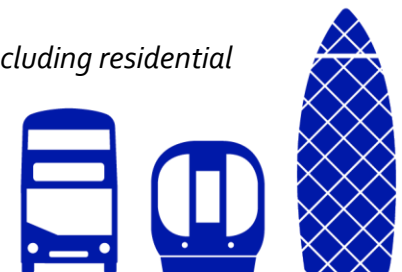
As previously announced, the main rate of corporation tax is still set to rise to 25% from April 2023. Other corporation tax announcements include setting the Annual Investment Allowance at a level of £1m permanently and some reforms of the Research & Development tax relief scheme.

**TfL tax comment:** *Group Tax consider this rate increase will continue to have limited impact on TfL as the group is not expected to be tax paying for the next few years. The increase in deferred tax liabilities held on the balance sheet for accounting purposes, was reflected in the accounts for the period ended 31 March 2022, based on the substantively enacted tax rate at that date. The other corporation tax announcements will not impact TfL.*

## SDLT

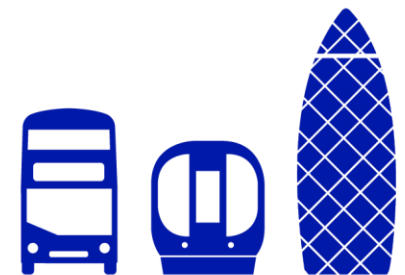
The previous Chancellor announced that with effect from 23 September the threshold from which Stamp Duty Land Tax (SDLT) must be paid on the purchase of residential properties will be doubled from £125,000 to £250,000, as well as further reliefs for first-time buyers. The current Chancellor has now confirmed that while these reduced rates remain in place for now, they represent a temporary SDLT reduction and will only remain in place until 31 March 2025.

**TfL tax comment:** *These measures still represent a welcome, albeit now time-limited, boost to the housing market at all levels, including residential property development, which in turn should benefit TTLP.*



## VAT

No major changes announced.



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