

AUTUMN BUDGET · 28 OCTOBER 2026

Budget 2026 for dentists, GPs, vets and clinic owners

Associates escape new rate rises. Practice owners selling up, or holding the surgery building personally, do not.

Swipe for the numbers →

THE HEADLINE

No headline rate rises. The squeeze is targeted.

Healey kept his word on the big taxes and went after **property, savings and business sales** instead.

Income tax rates

Unchanged

National Insurance rates

Unchanged

VAT rate

Unchanged

Dividend tax rates

Unchanged

10.75% / 35.75% / 39.35%

Corporation tax

25% cap kept

Small profits rate 19%

Cash ISA allowance

Stays £20,000

Planned cut to £12,000 reversed

Associates, locums and hygienists: no rate rises, but thresholds stay frozen until April 2031. As your income grows, more of it lands in the 40% and 45% bands.

SELLING YOUR PRACTICE

Practice sales just got more expensive

£1m → **£500k** **BADR lifetime limit from 6 April 2027**

Rate stays 18%. Gains above the limit are taxed at 24%. Earlier BADR claims count against the limit.

WORKED EXAMPLE

Two-partner practice, £1.6m gain split equally

CGT per partner, sale before 6 April 2027	£144,000
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CGT per partner, sale after 6 April 2027	£162,000
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Extra CGT across both partners	+£36,000
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Founders' Relief (10% CGT) is aimed at high-growth, innovative companies. A dental, GP, vet or aesthetics practice is unlikely to qualify. Do not plan around it.

EMPLOYERS

Minimum wage up 3.9% from 1 April 2027

National Living Wage (21+)

~~£12.71~~ → **£13.21**

Age 18 to 20

£10.85 → £11.27

REAL COST PER HEAD

One full-time nurse or receptionist on the NLW (37.5 hrs a week)

Extra gross pay **£975**

Extra employer NIC at 15% **£146**

Extra pension at 3% **£29**

Extra cost per employee, per year

≈ **£1,150**

A practice with 6 team members on the NLW is looking at roughly **£6,900 a year** extra. Unfair dismissal protection also starts at 6 months from January 2027, so trainee and probation reviews need to be tight.

PRACTICE PREMISES AND SAVINGS

Own the surgery personally? Your rent is now taxed harder

PROPERTY INCOME	TODAY	FROM APR 2027
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Basic rate	~~20%~~	24%
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Higher rate	~~40%~~	44%
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Additional rate	~~45%~~	49%
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WORKED EXAMPLE

Principal charging the practice £40,000 a year rent, additional-rate taxpayer

Tax today at 45%	£18,000
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Tax from April 2027 at 49%	£19,600
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Extra tax every year

+£1,600

Same rise applies to savings interest. Cash ISA allowance stays at £20,000. Worth modelling SIPP/SSAS or company ownership of the premises before April 2027.

EQUIPMENT AND FIT-OUTS

Scanners, chairs and lasers: still fully deductible for most

ALLOWANCE	TODAY	BUDGET 2026
Full expensing (Ltd companies)	100%	100%
Main rate first-year allowance	~~40%~~	50%
Main rate writing down allowance	~~14%~~	12%

WDA cut applies from April 2027. Start date for the 50% first-year allowance to be confirmed in the Finance Bill.

What it means: the £1m Annual Investment Allowance still covers a CBCT, intraoral scanner or new surgery fit-out in full, whether you trade as a company, partnership or sole trader. The WDA cut mainly hits cars and old pool balances.

Timing matters: plan big purchases into the accounting period where profits, and the tax rate, are highest.

ASSOCIATES AND LOCUMS

Small wins if you work across sites

Mileage over 10,000 miles

25p → **35p**

55p for first 10,000 now permanent.
Good news for multi-site associates,
locum GPs and mobile vets.

Trading allowance

£1,000 → **£3,000**

Tax-free side income such as teaching
or content, from 6 April 2027

Payments on account change from April 2029: smaller, more regular instalments instead of the January and July lump sums that catch associates out every year.

HMRC is getting teeth: 670 more compliance officers and a new power to recover smaller tax debts directly. Late or estimated returns are a bigger risk than before.

BEFORE 6 APRIL 2027

Your action list

1

Retiring or selling in 2027?

Get a valuation and CGT model before 6 April 2027. Exchange timing could be worth tens of thousands.

2

Surgery building in your own name?

At 44% or 49% on rent, compare personal, company and pension ownership now.

3

Update the 2027/28 payroll budget

£13.21 an hour for nurses, receptionists and trainees from 1 April.

4

Ltd company principals

New rules on buybacks and holding company exits are due from April 2028. Plan before, not after.

Specialist accountants for healthcare practices

Book a Budget review with Tax Effective. We work with dentists, associates and clinic owners every day.

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Source: HM Treasury, Budget 2026 (28 Oct 2026). Measures are subject to Finance Bill 2026-27. Examples are illustrative and assume all income or gain falls in the band shown. General information only, not personal advice.