

Inheritance Tax (IHT) – Changes to Business Property Relief (BPR)

Following the changes to Inheritance Tax announced in the 2024 Budget, we have summarised the key points below to help shareholders understand the impact.

When do the changes take effect?

- The new rules apply from **6 April 2026**.

What has changed?

- Previously, shares in many businesses could qualify for **100% Business Property Relief (BPR)** with no upper limit.
- From 6 April 2026, **100% BPR will be capped at £2.5 million per individual**.
- Any qualifying business assets or shares above this limit will only receive **50% BPR**.

How does this affect H&H shares?

- Shares in H&H will **continue to qualify for 100% BPR**, as the company is not listed on a recognised stock exchange.
- However, the new **£2.5 million cap still applies** to the total value of qualifying assets an individual owns.

What does this mean in practice?

- The £2.5 million limit applies to **all qualifying business assets combined**, not just H&H shares.
- For example:
 - If an individual already owns business or farming assets worth more than £2.5 million, this will use up their full 100% BPR allowance. Any H&H shares would then only qualify for **50% BPR**.
 - If an individual owns business or farming assets worth less than £2.5 million, they may still benefit from **100% BPR on H&H shares**, up to the remaining allowance.
 - Individuals with no other qualifying business assets can benefit from **100% BPR on H&H shares up to £2.5 million**.

Further information

These changes can be complex and will affect individuals differently depending on their personal circumstances. Shareholders are encouraged to seek independent professional advice if they are unsure how the changes may impact them.