

Autumn Statement 2017

# Insurance Premium Tax: Increase to Standard Rate

The standard rate of Insurance Premium Tax (IPT) will increase from 10% to 12% with effect from June 2017

## Who will be affected?

The increase affects the standard rate of IPT, increasing it from 10% to 12%, and will impact all households and businesses that purchase insurance for risks located in the UK that currently attract the standard rate.

The higher rate of IPT (20%) that currently applies to certain categories of insurance including travel insurance, mechanical / electrical appliances insurance and some vehicle insurance remains unchanged.

## When will the change take effect?

The new standard rate will be applied to all premiums received on or after June 2017 (specific date to be confirmed), irrespective of inception or renewal date.

The only exceptions are special accounting schemes operated by insurers.

## What is the impact?

This new increase, when combined with other recent increases in IPT, represents a doubling of the tax within the past two years.

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