

# Budget Report 2012

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Summary of the main taxation provisions announced by the Chancellor of the Exchequer on 21 March 2012

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## Introduction

Today, the Chancellor of the Exchequer George Osborne delivered his Budget to the House of Commons.

This Budget takes place as the UK recovers from the financial crisis of 2008 and 2009. Budget 2012 will provide an update on the Government's plans to support the economy and achieve the aim of strong and stable growth.

The Budget<sup>1</sup> is a report presented each year by the Chancellor of the Exchequer to Parliament and the nation. The primary role of the Budget is to control public finances by setting out how much tax the Government will collect, how much the Government will borrow and how much the Government will spend. The Budget Responsibility and National Audit Act 2011 require the Government to produce a Budget Report (which is the formal name for the Budget) for each financial year. The Charter for Budget Responsibility sets out what the Budget Report must cover.

### About the Budget

When the Government publishes the Budget, the Chancellor gives a speech to Parliament in which he sets out the key decisions on tax, borrowing and spending, and his reasons for taking those decisions. This speech is known as the Budget Statement.

The official forecast on which the Chancellor bases the Government's Budget is provided by the Office for Budget Responsibility (OBR). The Budget Responsibility and National Audit Act 2011 require the OBR to publish two economic and fiscal forecasts for each financial year, including one published at the Budget. The OBR's duty is to examine and report on the sustainability of the public finances and it is required to do so objectively, transparently and impartially.

## History of the Budget

You can discover the history of the Budget, past Chancellors and the famous Budget box with HM Treasury's<sup>2</sup> guide and video. The Chancellor of the Exchequer is the most senior minister at HM Treasury and acts as the nation's primary finance minister. The Treasury dates back to the time of Norman Conquest, but the information within HM Treasury's website and interactive explorer begins in the 1550s, when the role of the Chancellor of the Exchequer as we know it really began. Today's Treasury dates from around the Norman Conquest. Even before 1066, the Anglo-Saxon Treasury collected taxes (including the danegeld, first levied as a tribute to the Vikings to persuade them - sometimes unsuccessfully - to stay away) and controlled expenditure.

The first "Treasurer" was probably "Henry the Treasurer", who owned land around Winchester; the site of most royal treasure of both the Anglo-Saxons and the Normans. Henry is referred to in the Domesday Book (a systematic tax assessment of the whole country undertaken by the Treasury) and is believed to have served William the Conqueror as his Treasurer.

For most of the mediaeval period the office of the Treasurer was within the Exchequer, which managed and accounted for the royal revenue, as well as collecting and issuing money. The Exchequer wasn't always effective at its job: in 1433, for example, war with France led to a deficit of £30,000, the equivalent of over £100 billion today.

For further information, see:

[http://www.hm-treasury.gov.uk/about\\_history\\_index.htm](http://www.hm-treasury.gov.uk/about_history_index.htm)



## Summary

BBC News summarised the main points from Chancellor George Osborne Budget statement as follows:

- Mr Osborne said the Budget "rewards work" and Britain "is going to earn its way in the world".
- The Chancellor said it will be a reforming Budget.
- He promised "far-reaching tax reforms", making the UK more competitive.
- Mr Osborne promised to back industries like aerospace and science.
- The Chancellor said financial stability "comes first".
- Britain is "not immune" from developments in the eurozone, Mr Osborne said.
- The Chancellor promised to take "millions out of tax".
- The Office for Budget Responsibility is slightly revising up growth forecasts to this year to 0.8% this year and 2% next year.
- On the deficit, Mr Osborne said it is falling and will reach 7.6% next year. The share of GDP taken by the State will fall to 43% next year, he added.
- Borrowing this year will be £126bn this year and £120bn next year, Mr Osborne said. It will be £21bn by 2016/17.
- The forecast unemployment rate is forecast to fall, with claimant counts falling too, Mr Osborne said. Inflation will fall to 1.9% by next year, he added.
- Up to £10bn additional welfare savings will be needed by 2016.
- There will be an automatic review of the state pension age.
- The cost of funding the UK's mission in Afghanistan until 2015 will be £2.4bn lower than previously forecast.
- There will be an extra £100m to improve accommodation for armed forces personnel's families.
- The government is saving £36bn in debt interest payments compared with Labour, Mr Osborne said.
- Britain is rebuilding its reserves, Mr Osborne said. Gold holdings are now £11bn.
- The building fund providing up-front money for construction firms is being expanded.
- Mr Osborne said a new £70m development fund will be set up for London.
- The Chancellor said he wants to double exports to £1 trillion by the end of the decade.
- Mr Osborne announced improvements to train services between Manchester and Sheffield.
- The country must "confront" the lack of airport capacity in the south of England, Mr Osborne said.
- The UK will not be left behind by China, Brazil and India under this government, Mr Osborne promised.
- The Chancellor promised "major savings" in administration costs for business.
- Mr Osborne said a UK centre for aerodynamics will be set up.
- Tax credit schemes for video games and "high-end" TV production firms will be established.
- Mr Osborne said the UK will become "Europe's technology centre".
- The Chancellor said taxes on patents will be cut.
- The results of the government's planning system overhaul will be published next week.
- All-day trading will be allowed for eight Sundays starting on 22 July to coincide with the Olympics and Paralympics.
- A review will be held into whether to introduce differentiated regional public sector pay.
- The tax system needs "further reform", Mr Osborne said.
- A review will be held into whether to introduce differentiated regional public sector pay.
- Small firms will be taxed on the amount of cash passing through their businesses rather than more complicated methods used for large companies, Mr Osborne said.
- VAT loopholes and anomalies will be tackled, MPs are told.
- The Chancellor promised to simplify age-related tax allowances for pensioners.
- A single tier pension, at a minimum of £140 a week for future retirees, will be set, Mr Osborne said.



- From 2014 taxpayers will receive personal statements, detailing what they have paid and where the money is going.
- Mr Osborne promised to ease the rules to ensure scientific research becomes economically viable.
- The bank rate levy will be increased to 0.05%.
- Alcohol duty rates will not be changed.
- A machine games duty will be introduced.
- Alcohol duty rates will not be changed. Tobacco duty will rise by 5% above inflation - 37p on a packet of cigarettes. The change starts at 1800 GMT on 21 March 2012.
- There will be no changes to fuel duty plans already set out.
- Vehicle excise duty is frozen for road hauliers.
- The Chancellor said tax evasion and aggressive tax avoidance are "morally repugnant".
- The Chancellor promised to clamp down on stamp duty avoidance. The stamp duty rate on properties worth more than £2m via companies will be raised to 15%. Stamp duty on individual-owned properties worth £2m+ will be set at 7%.
- The 50p highest rate of income tax has caused "massive distortion", Mr Osborne said. This rate will be reduced to 45% from April 2013.
- Mr Osborne said the 50p rate damaged the economy and raised virtually nothing. Other taxes on the rich that he has announced will raise five times more than the amount lost by moving to a 45p rate.
- The salary threshold at which child benefit stops being paid will be set at £50,000 - rather than about £42,000. The withdrawal will be gradual - 1% of benefit for every £100 earned.
- Millions of people will be £220 a year better off as a result of the raising of the income tax threshold, Mr Osborne said.
- The point at which people start paying income tax will be raised to £9,205 from April 2013. Mr Osborne said two million people will be taken out of paying income tax.
- The Chancellor ended his speech by saying the British people will "share the efforts and the rewards" and that the country will "earn its way out" of its problems.

## Overview

The various documents published on HM Treasury website on 21 March 2012 included draft clauses and Explanatory Notes for inclusion in Finance Bill 2012 on measures previously announced. The contents of those clauses and the Explanatory Notes are not covered here. You can click on the links below for the following documents on the HMRC website

- [Life insurance - Qualifying policies](#)
- [Making tax easier, quicker and simpler for small business](#)
- [New corporate tax regime for life insurance companies: Transitional targeted anti-avoidance rule](#)
- [Overview of Tax Legislation and Rates](#)
- [Revenue and Customs Brief 09/12 Excise duty: Changes to use of red diesel in private pleasure craft](#)
- [The Exchequer effect of the 50p per cent additional rate of income tax](#)
- [VAT: Addressing borderline anomalies](#)
- [VAT: Anti avoidance provisions relating to liability changes to supplies of self-storage facilities and approved alterations to listed buildings](#)

### Overview of Tax Legislation and Rates document

The Chancellor of the Exchequer presented his Budget to Parliament today, 21 March 2012. Headline summaries of the main announcements which affect taxpayers and links to the relevant documents can be accessed through a choice of six links at: <http://www.hmrc.gov.uk/budget2012/index.htm> as follows:

- [Individuals - Personal Tax, Tax Credits, Child Benefits](#)
- [Corporate and Business Taxes](#)
- [Indirect Taxes including VAT](#)
- [Anti-Avoidance, Tax Administration and Tax Simplification](#)
- [Charities and Philanthropy](#)
- [Budget Day Documents](#)

Over the coming weeks and months, updates and further information on Budget proposals, including consultations, will be announced.

### Anti-avoidance legislation

The draft legislation, Explanatory Note and Tax Information and Impact Note are published below for the new anti-avoidance measures announced in the Budget with effect from 21 March 2012:



- Life insurance: income tax avoidance
- Stamp duty land tax: sub-sales rules
- Inheritance tax: avoidance using offshore trusts
- Income tax: avoidance using settlor-interested trusts
- Plant or machinery leasing
- Sale of lessor companies
- Site restoration payments

## Other legislation with effect from 21 March 2012

The following documents can be found on the HMRC website in relation to legislation that takes effect from 21 March 2012:

- VAT: anti-avoidance provisions relating to liability changes to supplies of self-storage facilities and approved alterations to listed buildings
- New corporate tax regime for life insurance companies - transitional targeted anti-avoidance
- Employer asset-backed pension contributions - technical note

## Consultation

The majority of legislation included in this Bill was published in draft on 6 December 2011. The consultation closed on 10 February 2012.

- [Consultation on draft legislation for Finance Bill 2012](#)

## Finance Bill 2012

Finance Bill 2012 will be published on 29 March 2012.

The tax changes to be legislated in Finance Bill 2012 or secondary legislation having effect in 2012-13 are summarised as follows<sup>5</sup>:

### Personal tax

- **Income tax rates** – Income tax rates will be unchanged for the tax year 2012-13. For 2013-14, the main rates of income tax will be the 20 per cent basic rate, the 40 per cent higher rate and the 45 per cent additional rate. The rates for both years will be legislated in Finance Bill 2012.
- **Income tax additional rate: consequential changes** – As a consequence of the reduction in the additional rate of income tax in 2013-14, the charge on benefits paid to non-individuals under an employer-financed retirement benefits scheme will reduce from 50 per cent to 45 per cent in 2013-14. Where capital sums are deemed to be income of a settlor, the rate of tax taken as paid by the trustees will also reduce from 50 per cent to 45 per cent from 2013-14.
- **Income tax personal allowance 2012-13** – As announced at Budget 2011, the income tax allowance for those aged under 65 will increase by £630 in cash terms to £8,105 in 2012-13. There will be a corresponding £630 cash decrease in the basic rate limit, taking it to £34,370. The higher rate threshold, which equals the sum of the personal allowance and the basic rate limit, will therefore remain unchanged in 2012-13 at £42,475.
- **Income tax age-related allowances** – From 2013-14, the age-related personal allowances will not be increased and their availability will be restricted to people born on or before:
  - 5 April 1948 for the allowance worth £10,500; and
  - 5 April 1938 for the allowance worth £10,660.People born on or after 6 April 1948 will be entitled to the personal allowance of £9,205 for 2013-14.

- **Seed Enterprise Investment Scheme (SEIS)** – As announced in the Autumn Statement 2011, legislation will be included in Finance Bill 2012 to introduce a new Seed Enterprise Investment Scheme. Following consultation, changes have been made to the legislation to allow companies to:

- qualify if they have subsidiaries;
- determine eligibility by reference to the age of any trade rather than to the age of the company;
- remove reference to the holdings of other entities in calculating asset and employee tests;
- allow previous (but not current) employees to qualify; and
- allow directors who have qualified under SEIS to continue to qualify under EIS, subject to time limits.

- **Enterprise Investment Scheme (EIS) and Venture Capital Trusts (VCTs): simplification and better focus** – As announced in Budget 2011, legislation will be introduced in Finance Bill 2012 to make simplifications to the EIS and to VCTs. This will remove some restrictions on qualifying shares and types of investor and, following consultation, will remove the £1 million limit on investment by a VCT in a single company (except for companies in a partnership or joint venture). It will also remove the £500 minimum subscription for EIS. To ensure both EIS and VCTs are targeted at genuine risk capital investments, the Government will also introduce a new disqualifying arrangements test for the schemes to exclude companies set up for the purpose of accessing relief, and will exclude investment in some Feed-in Tariff businesses. Monies used to acquire shares in another company will not be regarded as being 'employed' for the purposes of a qualifying business activity.

- **Enterprise Investment Scheme and Venture Capital Trusts: increases to thresholds** – As announced in Budget 2011, the EIS annual investment limit for individuals will be increased to £1 million from 6 April 2012. After further consideration of the evidence and impacts on smaller companies, the Government will increase the annual investment limit for qualifying companies to £5 million. The annual investment limit will take account of any other risk capital aid received, and VCTs will be prohibited from making any investment which breaches that limit.

This legislation is subject to State aid approval, and will take effect through Treasury appointed day orders.

- **Enterprise Management Incentives (EMI)** – The Government will increase the individual limit on qualifying EMI options from £120,000 to £250,000. The change will be made by statutory

instrument, as soon as possible, subject to State aid approval. In addition, HMRC will develop the guidance and resources it makes available to start-up companies wishing to use EMI, so that new resources are available by the end of 2012.

- **Reform of the taxation of non-domiciled individuals** – Following consultation in summer 2011, legislation will be introduced in Finance Bill 2012 to make changes to the taxation of non-domiciled individuals to:
  - allow such individuals to bring their overseas income and gains to the UK tax-free in order to make a commercial investment in a qualifying business;
  - increase the existing £30,000 annual charge to £50,000 for those resident in the UK in 12 or more of the last 14 tax years; and
  - reduce the complexity of some aspects of the existing remittance basis rules.

These changes will be introduced with effect from 6 April 2012.

- **Child Benefit income tax charge** – Legislation will be introduced in Finance Bill 2012 that imposes a new charge on a taxpayer who has adjusted net income over £50,000 in a tax year, where either they, or their partner, are in receipt of Child Benefit for the year. This will have effect from 7 January 2013. If both partners have adjusted net income over £50,000, the partner with the higher income is liable for the charge. The income tax charge will apply at a rate of one per cent of the full Child Benefit award for each £100 of income between £50,000 and £60,000.

The charge on taxpayers with income above £60,000 will be equal to the amount of Child Benefit paid. Child Benefit claimants will be able to decide not to receive Child Benefit if they or their partner do not wish to pay the new charge.

For the tax year 2012-13, the first year of the charge, the amount of income taken into account will be the full amount of income for 2012-13 and the amount of Child Benefit will be that paid in the period from 7 January 2013 to the end of the tax year.

For subsequent years, the full amount of Child Benefit and the income for the year will be taken into account.

- **Company car tax rates 2014-15** – Legislation will be introduced in Finance Bill 2012 to increase the appropriate percentage for company cars emitting more than 75g of carbon dioxide per kilometre by one percentage point to a maximum of 35 per cent in 2014-15.

- **Car and van fuel benefit charge 2012-13 and 2013-14** – A statutory instrument laid after Budget 2012 will increase the car fuel benefit charge multiplier from £18,800 to £20,200 from 6 April 2012. The multiplier will increase by two per cent above the rate of inflation (based on RPI) in 2013-14. The van fuel benefit charge multiplier will be frozen at £550, and will increase by inflation in 2013-14. The 2013-14 changes will be made by statutory instrument in autumn 2012.
- **Resettlement payments paid to Members of Parliament (MPs)** – From April 2012, the MPs' Expenses Scheme administered by the Independent Parliamentary Standards Authority (IPSA) will include provision for the payment of a resettlement payment to any MP who involuntarily leaves Parliament after that date. As a consequence of this change, legislation will be included in Finance Bill 2012 to exempt from income tax the first £30,000 of resettlement payment paid by IPSA. The amendment will ensure that these payments are treated in the same way as similar grants previously paid under the House of Commons Members' Allowances Scheme. The amendment will have effect in relation to any resettlement payment made by IPSA on or after 1 April 2012.
- **Employer asset-backed pension contributions** – On 29 November 2011, the Government announced that legislation would be introduced in Finance Bill 2012 to change the tax rules in relation to employer asset-backed pension contributions, with effect from the date of the announcement. These changes were designed to ensure that unintended, excess tax relief could not arise in respect of such contributions. On 22 February 2012, the Government published further legislation, with immediate effect, with the aim of limiting the circumstances in which up-front relief can be given to asset-backed arrangements, in line with the original policy aim. Further changes to the previously published legislation and structured finance legislation have been announced with effect from 21 March 2012 and will be included in Finance Bill 2012.

## Charities and philanthropy

- **Community amateur sports clubs (CASCs): entitlement to Gift Aid** – Legislation will be introduced in Finance Bill 2012 to amend the CASC and Gift Aid legislation to ensure it operates as originally intended. HMRC has been registering CASCs and allowing Gift Aid payments on a concessionary basis. This legislation will put both points onto a statutory basis.
- **Community amateur sports clubs: in-year repayment of Gift Aid** – Finance

Act 2010 put the practice of making in-year repayment of Gift Aid to charitable companies and CASCs onto a statutory basis. Provisions will be introduced in Finance Bill 2012 to amend that legislation to ensure it works as intended.

## Corporate tax

- **Corporation tax rates** – Legislation will be introduced in Finance Bill 2012 to reduce:
  - the main rate of corporation tax for non ring fence profits to 24 per cent for the Financial Year commencing 1 April 2012; and
  - the main rate of corporation tax for non ring fence profits to 23 per cent for the Financial Year commencing 1 April 2013.Finance Bill 2012 also sets the small profit rate at 20 per cent for the Financial Year commencing 1 April 2012. Finance Bill 2012 will also set the marginal rate fraction and rate for ring fenced profits.
- **Controlled foreign companies (CFC) reform** – Following consultation, legislation will be introduced in Finance Bill 2012 to replace the existing CFC regime. The new CFC rules will better reflect the way that businesses operate in a global economy and strike the right balance between contributing to a more competitive corporate tax system and protecting the UK corporate tax base. A key change arising from consultation is the introduction of separate gateway conditions to make the rules easier to use. The new rules will be effective for CFCs with accounting periods beginning on or after 1 January 2013.
- **Patent box** – Legislation will be introduced in Finance Bill 2012 to allow companies to elect to apply a 10 per cent corporation tax rate to a proportion of profits attributable to patent and certain other qualifying intellectual property from 1 April 2013. In the first year this proportion will be 60 per cent and increase annually to 100 per cent from April 2017. Following consultation:
  - the legislation has been clarified to achieve the policy aim set out in the June 2011 consultation document that worldwide income from inventions covered by a qualifying UK or European Patent Office patent is included;
  - the heads of expenditure included in the amounts which have to be marked up have been clarified; and
  - the small claims safe harbour that previously applied to all companies has been limited to companies making profits with residual profits of no more than £3 million.

- **Business premises renovation allowance (BPRA)** – As announced in Budget 2012, from April 2012 the BPRA scheme will be extended for a further five years to April 2017. Changes will also be made to the scheme to ensure continuing compliance with State aid rules. The changes will be made in secondary legislation.
- **Capital allowances: Enterprise Zones** – As announced in the Autumn Statement 2011, legislation will be introduced in Finance Bill 2012 to provide 100 per cent first-year allowances for trading companies investing in plant or machinery for use primarily in designated assisted areas within Enterprise Zones. Following consultation, changes have been made to ensure the scheme is State aid compliant.
- **Capital allowances: fixtures** – As announced at Budget 2011, legislation will be introduced in Finance Bill 2012 to make the availability of capital allowances to a purchaser of a fixture subject to certain conditions. Following consultation, changes have been made to help ensure fair application of the legislation.
- **Bank Levy rate** – As announced in the Autumn Statement 2011, Finance Bill 2012 will set the full rate of the Bank Levy at 0.088 per cent with effect from 1 January 2012. The Government has also announced that legislation will be included in Finance Bill 2012 to set the full rate of the Bank Levy from 1 January 2013 at 0.105 per cent.
- **Tax treatment of regulatory capital** – As announced in Budget 2011, and following consultation, legislation will be introduced in Finance Bill 2012 to introduce a power to determine the tax treatment of regulatory capital instruments issued in accordance with the Basel III and EU Capital Requirements Directive IV (CRD IV) proposals. Regulations will be made under this power and will take effect from the commencement of the CRD IV provisions.
- **Grouping rules: change to equity rules** – Legislation will be introduced in Finance Bill 2012 to ensure that the group status of a company will be unaffected where it issues loan notes carrying a right to conversion into shares or securities of quoted unconnected companies.
- **Tax transparent fund** – As announced in Budget 2011, legislation will be introduced to permit the authorisation of tax transparent funds from summer 2012. Draft regulations to be made under the powers in Finance Bill 2012 will be published after taking into account the responses to the HM Treasury consultation on tax transparent funds which closed on 19 March 2012. Regulations will be made to establish the tax treatment applying to UK investors' holdings in tax transparent funds and to establish the treatment of transactions for the purposes of stamp taxes. In order to clarify the position going forward for all investors in collective investment schemes (CIS) including the new tax transparent funds, the capital gains rules for mergers and reconstructions of CIS will be simplified and rewritten in regulations, and changes may be made to what constitutes a disposal.
- **Solvency II and the taxation of life insurance companies** – As announced at Budget 2011, legislation will be introduced in Finance Bill 2012 to establish a new regime for the taxation of life insurance companies and Friendly Societies with effect from 1 January 2013. Following consultation, the legislation has been revised to ensure that the new regime will operate effectively and predictably. The legislation will include a targeted anti-avoidance rule to address cases where companies enter into arrangements with a main purpose of securing a tax advantage in connection with the transitional rules. This anti-avoidance rule, which has been modified in the light of consultation, was published on 21 March 2012 on the HMRC website. The rule may apply to arrangements entered into or things done after 21 March 2012.
- **Claims equalisation reserves (CERs)** – As announced in Budget 2011 and following consultation, the Government will repeal the tax rules relating to CERs from the date that the Solvency II capital requirements come into force. Built-up reserves will be taxed in equal amounts over a six year period commencing from this date, although insurers can elect to tax the remaining balance in any year during the transitional period. Legislation will be in Finance Bill 2012.
- **Oil and gas: field allowances** – A statutory instrument will be laid later this year to introduce a new £3 billion field allowance for particularly deep fields with sizeable reserves, targeted at the West of Shetland, and the Government will continue to work with industry to encourage further investment in the region. The Government will also increase the allowance for small fields to £150 million and increase the size of field qualifying for the maximum allowance to 6.25 million tonnes (approximately 45 million barrels), tapering to no allowance at 7 million tonnes (approximately 50 million barrels). Legislation will also be introduced in Finance Bill 2012 giving the Government the power to introduce targeted measures to support investment in brown fields, and the Government will engage with industry on how any such allowance could be structured to unlock investment while protecting Exchequer revenues. The Government will continue to consider potential changes to the



existing allowance for High Pressure High Temperature fields.

- **Oil and gas: restriction on decommissioning relief** – As announced at Budget 2011, legislation will be introduced in Finance Bill 2012 to restrict tax relief for Supplementary Charge purposes in respect of decommissioning expenditure to 20 per cent. The legislation will also broaden the scope of the extended loss carry back rules that apply to companies with ring fence trades. This will mean that they apply to losses arising from mineral extraction allowances in respect of decommissioning expenditure, consistent with the definition of decommissioning expenditure used in the restriction of relief.
- **Enhanced capital allowances: energy saving technologies** – The energy saving enhanced capital allowance will be updated by Treasury Order in summer 2012, subject to State aid approval. The main change will be the inclusion of a new technology category: heat pump driven air curtains.

## Indirect tax

- **Alcohol duty rates** – Legislation will be introduced in Finance Bill 2012 to increase the duty rates for all alcoholic drinks by 2 per cent above the rate of inflation (based on RPI) with effect from 26 March 2012. This will add 3 pence to the price of a pint of beer, 2 pence to the price of a litre of cider, 11 pence to the price of a bottle of wine, and 41 pence to the price of a bottle of spirits.
- **Tobacco duty rates** – Legislation will be introduced in Finance Bill 2012 to increase the duty rates for all tobacco products by 5 per cent above the rate of inflation (based on RPI) from 6pm on 21 March 2012. This will add 37 pence to the price of 20 cigarettes, 12 pence to the price of a pack of five small cigars, 37 pence to the price of a 25g pouch of hand-rolling tobacco, and 20 pence to the price of a 25g pouch of pipe tobacco.
- **Machine games duty** – As announced at Budget 2011 and following consultation, Finance Bill 2012 will introduce a machine games duty (MGD). MGD will replace Amusement Machine Licence Duty and supplies from dutiable machines will become exempt supplies from VAT from the introduction of MGD on 1 February 2013. There will be two duty rates:
  - the lower 5 per cent rate will apply to machines where both the maximum cost to play any game is 10p (or less) and the maximum cash prize for any game is £8 (or less); and
  - the standard 20 per cent rate will apply to all other dutiable machine games.
- **Amusement machine licence duty (AMLD) and gaming duty** – Legislation will be introduced in Finance Bill 2012 to:
  - increase AMLD in line with inflation (based on RPI); and
  - raise the gross gaming yield (GGY) bandings for gaming duty in line with inflation (based on RPI).

These changes will affect casinos and anyone who provides a gaming machine for play in the UK. The new AMLD rates will be charged for any licence applications that are received by HMRC after 4pm on 23 March 2012. The GGY bandings used to calculate gaming duty must be used for any accounting periods starting on or after 1 April 2012.
- **Air passenger duty (APD): devolution of rate to Northern Ireland** – As announced on 21 February 2012, legislation will be introduced in Finance Bill 2012 to devolve power to the Northern Ireland Assembly to set APD rates for direct long haul flights departing from Northern Ireland.
- **Red diesel in private pleasure craft** – As announced on 20 February 2012, legislation will be introduced in Finance Bill 2012 which will require the declaration made at the time red diesel is purchased for use in private pleasure craft to include an acknowledgement that any restrictions and prohibitions under the national laws of another Member State on the use of fuel for propelling private pleasure craft outside UK waters are not affected by UK provisions. This measure will have effect from 1 April 2012.
- **Vehicle excise duty (VED) rates** – Legislation will be introduced in Finance Bill 2012 to increase VED rates in line with RPI with effect from 1 April 2012, apart from VED rates for heavy goods vehicles which will be frozen in 2012-13.
- **Carbon price support (CPS) rates** – Budget 2012 announced the CPS rates for 2014-15. It also announced a number of changes to the CPS rate for solid fuels following consultation:
  - coal with a calorific value of more than 15 giga joules per tonne will be the only taxable solid fuel;
  - coal will be taxed on its calorific value (i.e. joule), rather than its weight (i.e. kilogram);
  - the rate for coal will reflect the average calorific value of coal used to generate electricity within the UK; and
  - the rate for solid fuel for 2013-14 that was announced at Budget 2011 will be amended.

A number of other changes to the carbon price floor were also announced following consultation, including:

- supplies of fossil fuels to combined heat and power (CHP) stations registered under the CHP Quality Assurance programme will be exempt from the CPS rates if they are intended to be used to generate heat;
- all generators liable to pay the CPS rates of climate change levy (CCL) will be required to register with HMRC if they are not already registered for CCL, and account for the CPS rates of CCL due;
- generators, and any connected persons, that have a combined generation capacity of 2 megawatts or lower will not be liable to the CPS rates of CCL; and
- supplies of fossil fuels to generating stations fitted with carbon capture and storage technology will be entitled to a proportionate abated CPS rate of CCL to reflect the percentage of carbon dioxide abated.

Legislation will be introduced in Finance Bill 2012 with subsequent secondary legislation, bringing these measures into effect from 1 April 2013 (or 1 April 2014 in the case of the 2014-15 rates).

- **Climate change levy rates** – Legislation will be introduced in Finance Bill 2012 to increase the rates of CCL broadly in line with inflation (based on RPI) from 1 April 2013.
- **Climate change levy: removal of the exemption for indirect supplies of combined heat and power electricity** – Budget 2011 announced the Government's intention to withdraw the exemption from CCL for supplies of electricity generated in a CHP station that are made by an electricity utility to business energy consumers. Following consultation, the Government announced that electricity utilities will be able to continue to allocate CHP levy exemption certificates relating to generation made before 1 April 2013 until 31 March 2018. Legislation will be introduced in Finance Bill 2012 with subsequent secondary legislation.
- **Rates of landfill tax** – Legislation will be introduced in Finance Bill 2012 to increase the standard rate of landfill tax by £8 per tonne to £72 per tonne for disposals of landfill made, or treated as made, on or after 1 April 2013. The lower rate will remain frozen at £2.50 per tonne for 2013-14.
- **Landfill tax: application to Scottish landfill sites** – As announced on 21 February 2012, legislation will be introduced in Finance Bill 2012 to correct the definition of a landfill site in Scotland for landfill tax purposes. This will ensure that all sites in Scotland remain liable to the tax following the replacement of waste disposal licences with permits. The legislation will have retrospective effect

back to 21 March 2000 and will bring landfill tax legislation in Scotland into line with the rest of the UK.

- **Landfill Communities Fund** – A statutory instrument laid on 21 March 2012 will maintain the potential value of the fund for 2012-13 at £78.1 million of claimable credit. This will be achieved by amending the maximum credit that landfill site operators may claim against their annual landfill tax liability for relevant contributions, from 6.2 per cent to 5.6 per cent from 1 April 2012.
- **VAT: correcting anomalies and closing loopholes** – Secondary legislation will be introduced in summer 2012, supported by anti-forestalling provisions in Finance Bill 2012, to address long-standing VAT anomalies and loopholes, with effect from 1 October 2012. These are areas where differences in VAT treatment lead to error, non-compliance and complexity for taxpayers. The changes will simplify the VAT rules by removing the relevant borderlines and will marginally broaden the VAT base. The changes address some anomalies by:
  - applying VAT to approved alterations to listed buildings to bring them into line with the VAT treatment of alterations to non-listed buildings, and repairs and maintenance for all buildings; and
  - providing consistency of treatment between self-storage and other forms of storage.

They also close a number of loopholes by:

- applying VAT, in the minority of cases where it does not already apply, to hot food and to sports drinks;
- putting beyond doubt the fact that VAT applies to the rental of hairdressers' chairs and the sale of cold food for consumption on the supplier's premises (even if those premises are shared with other suppliers); and
- ensuring that the purchase of holiday caravans is taxed consistently at the standard rate.

Transitional arrangements will be available for alteration works to listed buildings already underway. A consultation on the draft secondary legislation was published on 21 March 2012. Anti-forestalling legislation, effective from 21 March 2012, will apply to changes to the VAT treatment of self-storage and alteration works to listed buildings.

- **VAT: revalorisation of registration and deregistration thresholds** – The Government has announced that the VAT registration and deregistration thresholds will be changed so that:

- the taxable turnover threshold, which determines whether a person must be registered for VAT, will be increased from £73,000 to £77,000;
- the taxable turnover threshold which determines whether a person may apply for deregistration will be increased from £71,000 to £75,000; and
- the registration and deregistration threshold for relevant acquisitions from other EU Member States will also be increased from £73,000 to £77,000.

A statutory instrument laid on 21 March 2011 will apply the revised thresholds with effect from 1 April 2012. The simplified reporting requirement (three line accounts) for the income tax Self Assessment return will continue to be aligned with the VAT registration threshold.

- **VAT: revalorisation of fuel scale charges** – A statutory instrument laid on 21 March 2012 will revalorise the VAT fuel scale charges with effect from 1 May 2012.
- **VAT relief for European Research Infrastructure Consortia (ERICs)** – Secondary legislation will be introduced in autumn 2012 to provide VAT relief for European Research Infrastructure Consortia.
- **Stamp duty land tax (SDLT) rate** – Legislation will be introduced in Finance Bill 2012 to charge SDLT at 7 per cent of the chargeable consideration where this is more than £2 million. The measure takes effect for transactions where the effective date (normally the date of completion) is on or after 22 March 2012.
- **Stamp duty land tax: enveloping of high value residential properties** – The Government will introduce legislation in Finance Bill 2012 to apply a 15 per cent rate of SDLT to residential properties over £2 million purchased by certain non-natural persons. This will take effect from 21 March 2012.

## Anti-avoidance

- **Capital allowances: changes to anti-avoidance rules for plant and machinery** – Legislation will be introduced in Finance Bill 2012 to make the capital allowances anti-avoidance rules more effective by restricting plant and machinery allowances where there is an avoidance purpose to the transactions, or where the transactions are part of an avoidance scheme or arrangement. On 12 August 2011, the Government announced

that the legislation would include the repeal of an exception from the anti-avoidance rules, where the plant or machinery is acquired from a manufacturer or supplier. However, the legislation that will be included in Finance Bill 2012 will not make this particular change in full; the exception will still apply to expenditure incurred on or after 12 August 2011, as long as it is not incurred as a result of a relevant transaction that has an avoidance purpose, or is part of, or occurs as a result of a scheme or arrangement that has an avoidance purpose.

- **Debt buybacks** – Legislation will be introduced in Finance Bill 2012 to amend the corporation tax rules on loan relationships held between connected companies. This was announced on 27 February 2012, with effect from that date. The calculation of deemed releases of debts becoming held by connected companies will be amended and a targeted anti-avoidance rule (TAAR) to counter arrangements that aim to circumvent the deemed release rules will be inserted. The legislation will include limited retrospective provision for certain arrangements entered into between 1 December 2011 and 27 February 2012.
- **Corporate investors in authorised investment funds (AIFs)** – The Government has introduced secondary legislation to address a tax avoidance scheme which seeks to obtain tax benefits for a corporate investor in relation to a distribution made by an AIF where no underlying tax has been suffered. The measure is intended to ensure that corporate investors cannot use holdings in AIFs to obtain credit for tax not suffered or to reduce their tax liability below that which would apply if the underlying assets were held directly by the investor. This was announced on 27 February 2012, with effect from that date.
- **Post-cessation trade relief and post-cessation property relief** – As announced on 12 January 2012, legislation will be introduced in Finance Bill 2012 to counter avoidance involving post-cessation trade relief. This measure will introduce a TAAR that will prevent the relief from being available where a payment is made, or an event occurs, which is directly or indirectly in consequence of, or in connection with, relevant tax avoidance arrangements. The TAAR will apply to payments made, or events occurring, on or after 12 January 2012 except where the payment is made pursuant to an unconditional obligation in a contract made before that date. On 13 March 2012, the Government announced that this restriction would be extended to post-cessation property relief with effect from that date.

- **Property business loss relief** – As announced on 13 March 2012, legislation will be introduced in Finance Bill 2012, with effect from that date, to prevent property business loss relief being given where allowable agricultural expenses arise from arrangements entered into in which the main purpose, or one of the main purposes, is to obtain a tax reduction.
- **Stamp duty land tax: sub-sales rules** – Legislation will be introduced in Finance Bill 2012 to put beyond doubt that an SDLT avoidance scheme that abuses the subsales rules does not work. The change makes it explicit that the grant or assignment of an option cannot be a “transfer of rights”. The change is effective on or after 21 March 2012 and draft legislation is available on the HMRC website. The Government will also consult on the wider approach to addressing SDLT sub-sales avoidance.
- **Inheritance tax: offshore trusts** – Legislation will be introduced in Finance Bill 2012 to amend the excluded property and settled property provisions in order to close an avoidance scheme involving the acquisition of interests in offshore trusts by UK-domiciled individuals. The changes will ensure that any reduction in the value of a person’s estate as a result of the arrangements is charged to inheritance tax. The changes will largely replicate the tax treatment that a UK-domiciled individual using such a scheme would incur if the assets within the offshore trust had instead been transferred to a UK trust. This measure will have effect from 21 March 2012.
- **Income tax: corporate settlor-interested trusts** – Legislation will be introduced in Finance Bill 2012 to amend the settlements legislation (Part 5, Chapter 5, Income Tax Trading and Other Income Act 2005) in order to close an avoidance scheme involving corporate settlors. The changes will confirm that income which arises under a settlement and originates from any settlor who is not an individual is not treated as that of the settlor. This measure will have effect from 21 March 2012.
- **Sale of lessor companies** – Legislation will be introduced in Finance Bill 2012 to make changes to the sale of lessor company provisions to maintain the effectiveness of the legislation in protecting revenues. The changes will introduce a new “trigger” event when a lessor company comes within the charge to tonnage tax and will prevent losses being carried back against profits specifically brought into charge as a consequence of the sale of lessor company legislation. The changes will apply where on or after 21 March 2012 a lessor company enters tonnage tax or there is a change in the ownership of a lessor company.
- **Plant or machinery leasing** – Legislation will be introduced in Finance Bill 2012 to ensure that the total amount of capital allowances received by lessees under long funding leases for the period of the lease will equal their net “capital” expenditure under that lease. This measure counters arrangements where lessees under long funding leases seek to avoid including amounts received connected to the lease, which are not otherwise brought into account for tax purposes, within the specified disposal formula for long funding leases. Changes will be made to the definitions for the disposal formula to ensure such payments for the benefit of a lessee, or a connected person, are brought into account. The changes will apply to disposal events for long funding leases occurring on or after 21 March 2012.
- **Life insurance: income tax avoidance** – Legislation will be introduced in Finance Bill 2012 to amend the rules for calculating chargeable event gains that may be liable to income tax. The changes will put beyond doubt that when calculating the amount of a chargeable event gain under a life insurance policy, a deduction for certain gains will only be allowed to the extent that the earlier gains are attributable to one of the persons chargeable to tax under the chargeable event gain regime. The legislation will also ensure that interdependent policies (where the value of benefits payable from one policy is dependent on premiums paid into another policy) will be treated as a single policy for the purposes of the chargeable event gain regime. The changes will apply to policies issued on or after 21 March 2012, and to policies issued before this date where certain events occur on or after this date. Draft legislation was published on 21 March 2012 on the HMRC website.
- **Site restoration payments** – Legislation will be introduced in Finance Bill 2012, with effect on or after 21 March 2012, to prevent relief being given where arrangements are entered into where the main purpose is obtaining a deduction as the result of a site restoration payment
- **Disclosure of tax avoidance schemes (DOTAS)** - In 2011, HMRC consulted informally about extending the DOTAS “hallmarks” (the descriptions of schemes required to be disclosed for income tax, capital gains tax or corporation tax). The Government will be formally consulting over the summer on extending the hallmarks so as to capture avoidance schemes that do not currently have to be notified, with a view to publishing draft regulations later in the year.

## Tax administration

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- **UK/Switzerland Agreement** – Budget 2012 confirmed that legislation will be introduced in Finance Bill 2012 to give effect to the Agreement between the UK and Switzerland on cooperation in tax matters that was signed on 6 October 2011. As a result of the Protocol signed on 20 March 2012, two changes have been made to the Agreement which will be reflected in the legislation. Firstly, from when the Agreement takes effect, where a retention is made under the 2004 Agreement between the EU and Switzerland on the Taxation of Savings, a separate tax finality payment is made which together with the retention achieves an outcome equivalent to the single withholding rate under the October Agreement. Secondly, there is a provision for a levy on the assets of an individual who dies on or after 1 January 2013. These charges will not apply where authorisation is given to disclose full bank account details to HMRC.
- **Tax agents: dishonest conduct** – As announced in Budget 2011, legislation will be introduced in Finance Bill 2012 to address dishonest tax agents. The legislation will provide for a civil penalty, Tribunal approved access to an agent's working papers and the power to publish the details of agents that have been penalised. Following consultation, a third party organisation whose details HMRC intends to publish to identify the agent penalised now has the explicit right to make representations. The legislation is intended to have effect from 1 April 2013.

## Measures unchanged following consultation

This section lists those measures where draft legislation has been published for consultation and no changes were made as a result or small, technical amendments have been made to the final legislation to be introduced in Finance Bill 2012.

### Personal tax

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- Capital gains tax: foreign currency bank accounts
- Capital gains tax: annual exempt amount
- Capital gains tax holiday for the Seed Enterprise Investment Scheme
- Single payment scheme and capital gains tax roll-over relief
- Tax exemptions: international military headquarters, EU forces, etc.
- Income tax exemption: armed forces continuity of education allowance

- Company car tax: security enhanced cars
- Taxation of non-residents: Champions League final 2013
- Qualifying time deposits
- Inheritance tax nil rate band: switch to CPI
- Charities and philanthropy
- Gifts of pre-eminent objects
- Inheritance tax: reduced rate for estates leaving 10 per cent or more to charity
- In year repayments of tax to charities
- Self assessment donate

### Corporate taxes

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- Research and development tax relief
- Capital allowances: feed-in tariffs and the renewable heat incentive
- Improvements to the real estate investment trust regime
- Bank levy amendments
- Lloyd's: stop-loss insurance
- Corporation tax: distributions in the form of assets and liabilities
- Amendments to the tax treatment of financing costs and income (debt cap)
- Changes to the UK generally accepted accounting practice
- Oil and gas: scope of the supplementary charge

### Indirect taxes

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- Repeal of section 22 of the Alcoholic Liquor Duties Act 1979
- Double taxation relief on gambling duties
- Climate change levy: change to the reduced rate on electricity
- Climate change levy: reform of climate change agreements
- Climate change levy: metal recycling processes
- Air passenger duty: business jets
- Air passenger duty: Northern Ireland rate
- VAT: low value consignment relief
- VAT: cost sharing exemption
- VAT: tackling VAT fraud on imported road vehicles – This will have effect from 15 April 2013.
- VAT: online registration – The online system will be introduced with effect from 31 October 2012, certain VAT forms will be removed from the law from the same date. The VAT threshold for businesses not established in the UK will be removed from 1 December 2012.

- VAT: grouping extra statutory concession
- VAT: supplies of goods or services by public bodies
- Stamp duty land tax: relief for National Health Service bodies

## Anti-avoidance

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- Stamp duty land tax: disclosure of tax avoidance schemes
- Manufactured overseas dividends
- Tax administration
- Incapacitated persons: a modern approach
- Real time information
- Information powers
- Office of Tax Simplification: review of reliefs
- Mineral royalties: repeal
- Stamp duty land tax: disadvantaged areas relief: repeal
- Grants for giving up agricultural land: repeal of relief
- Angostura bitters: removal of certain reliefs
- Black beer: removal of relief
- Luncheon vouchers: repeal of relief
- Certain payments arising from a reduction in pool betting duty: repeal of reliefs
- Stamp Duty: relief on certain transactions in shares
- Tax reserve certificates issued by HM Treasury: repeal of relief
- Payments for the benefit of family members: repeal of relief
- Capital allowances: safety at sports grounds: repeal of relief
- Capital allowances: flat conversion allowances: repeal of relief
- Stamp Duty: relief for certain transactions in land
- Harbour reorganisation schemes: corporation tax and stamp duty: repeal of reliefs
- Pensions for 1947 redundancies: repeal
- Deeply discounted securities: incidental expenses: repeal of relief
- Life assurance premium relief: repeal
- Life assurance premiums paid by employers under an employee financed retirement benefit scheme: repeal of relief

## Future Tax Changes

This section summarises new tax changes announced in Budget 2012, where the change is to be made in Finance Bill 2013, other future finance bills, programme bills or secondary legislation. In line with the Government's new approach to tax policy making, the vast majority of these measures will be subject to consultation.

### Personal tax

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- **Income tax personal allowances for 2013-14** – Legislation will be introduced in Finance Bill 2013 to set the personal allowance for those aged under 65 at £9,205 and the basic rate limit at £32,245. The Class 1 Upper Earnings Limit and the Class 4 Upper Profits Limit for National Insurance contributions (NICs) will be aligned with the point at which the higher rate tax becomes payable (£41,450).
- **Cap on unlimited tax reliefs** – Legislation will be introduced in Finance Bill 2013 to apply a cap on income tax reliefs claimed by individuals from 6 April 2013. The cap will apply only to reliefs which are currently unlimited. For anyone seeking to claim more than £50,000 in reliefs, a cap will be set at 25 per cent of income (or £50,000, whichever is greater). Draft legislation will be published for consultation later this year.
- **Statutory residence test** – At Budget 2011, the Government announced its intention to introduce a statutory residence test with effect from April 2012. On 6 December 2011, following public consultation over the summer, the Government announced that the test would be legislated in Finance Bill 2013 and take effect from 6 April 2013, to allow further time to finalise the detail of the test. A summary of responses and draft legislation for consultation will be published after Budget 2012.
- **Ordinary residence** – At Budget 2011, the Government announced its intention to reform ordinary residence with effect from April 2012. On 6 December 2011, following public consultation over the summer, the Government announced that the introduction of any reforms would be deferred until April 2013. At Budget 2012, the Government announced that ordinary residence will be abolished for tax purposes but overseas workday relief will be retained and placed on a statutory footing. A summary of responses will be published with draft legislation after Budget 2012 for consultation. Legislation will be in Finance Bill 2013 and have effect from 6 April 2013.

- **Statement of practice 1/09 (SP1/09)** – As announced in the consultation on reform of non-domicile taxation in June 2011, the Government will put SP1/09 on a statutory footing. SP1/09 provides an administrative easement for employees who are resident but not ordinarily resident in the UK and have a single contract of employment covering duties carried out in the UK and overseas. The Government will consult on draft legislation which will be introduced in Finance Bill 2013 and will be effective from 6 April 2013. The existing SP1/09 will remain in force for the 2012-13 tax year.
- **CGT charge on non-resident non natural persons** – The Government will consult on the introduction of a CGT charge on residential property owned by non resident, non natural persons. Legislation will be introduced in Finance Bill 2013 with the measure coming into effect in April 2013. This measure will be consulted on in conjunction with the SDLT enveloping annual charge for high-value residential properties.
- **Enterprise Management Incentives (EMI)** – EMI is a share option scheme which allows small and medium sized businesses to grant tax-advantaged share options to employees. The Government will make reforms to the EMI scheme in Finance Bill 2013, subject to State aid approval:
  - so that gains made on shares acquired through exercising EMI options on or after 6 April 2012 will be eligible for capital gains tax entrepreneurs' relief; and
  - the Government will consult on ways to extend access to EMI for academics who are employed by a qualifying company.
- **Review of tax advantaged employee share schemes** – The Government will consider the recommendations of the Office of Tax Simplification's review of tax advantaged share schemes, and will consult shortly on how to take a number of these proposals forward. Legislation will be in future finance bills.
- **Glasgow 2014 Commonwealth Games tax exemption** – As announced on 26 January 2012, the Government will provide an exemption from UK taxation for money earned by non-resident athletes in relation to a performance at this event. Legislation will be in Finance Bill 2013.
- **Expenses of members of devolved administrations** – Legislation will be introduced in Finance Bill 2013 to formalise aspects of the existing income tax treatment of travel and accommodation expenses incurred by Members of the Scottish Parliament, Welsh Assembly Members and Members of the Legislative Assembly on parliamentary or assembly duties. It will also introduce a new tax exemption for expenses incurred on travel by spouses or partners of devolved administration members where they share caring responsibilities for a dependant. These changes will have effect from 6 April 2013.
- **Company car tax rates 2015-16 and 2016-17** – In both 2015-16 and 2016-17, the appropriate percentages of the list price subject to tax will increase by two percentage points, to a maximum of 37 per cent. From April 2016, the Government will remove the three percentage point diesel supplement so that diesel cars will be subject to the same level of tax as petrol cars. From April 2015, the five year exemption for zero carbon cars and the lower rate for ultra low emission cars will come to an end as legislated in Finance Act 2010. The appropriate percentage for zero emission and all low carbon cars emitting less than 95g of carbon dioxide per kilometre will be 13 per cent in 2015-16, and will increase by two percentage points in 2016-17. Legislation will be in a future Finance Bill.
- **Pensions tax relief** – Legislation will be introduced in Finance Bill 2013 to amend the rules which currently allow employers to pay pension contributions into their employees' family members' pensions as part of their employees' remuneration package to remove the tax and NICs advantages from these arrangements. A regulation making power will also be introduced to allow changes to be made to the lifetime allowance fixed protection legislation. Technical improvements will also be made to the annual allowance rules through secondary legislation.
- **Pensions tax: abolition of contracting out** – Contracting out through a defined contribution scheme will be abolished from 6 April 2012. Legislation will be introduced in Finance Bill 2013 to bring tax legislation into line with Department for Work and Pensions legislation.
- **Bridging pensions** – Legislation will be introduced in Finance Bill 2013 to amend the pensions' tax legislation for bridging pensions to reflect the changes in state pension age. A power will also be created to allow for regulations to be made changing the tax rules on bridging pensions to fit with any further changes to state pension rules.
- **Qualifying Recognised Overseas Pensions' Schemes (QROPS)** – Changes in primary legislation will be introduced in Finance Bill 2013 to strengthen reporting requirements and powers of exclusion relating to the

QROPS regime. They will support the changes in secondary legislation published for consultation on 6 December 2011. The Government also announced that where the country or territory in which a QROPS is established makes legislation or otherwise creates or uses a pension scheme to provide tax advantages that are not intended or available under the QROPS rules, the Government will act so that the relevant types of pension scheme in those countries or territories will be excluded from being QROPS.

- **Transfer of assets abroad and gains on assets held by foreign companies** – The Government will propose amendments in Finance Bill 2013 to two pieces of legislation designed to protect the UK tax base. These are contained in sections 714 to 751 of the Income Tax Act 2007 (transfer of assets abroad) and section 13 of the Taxation of Chargeable Gains Act 1992 (gains on assets held by foreign companies closely controlled by UK participators). The Government will publish a consultation including draft legislation after the Budget.
- **Inheritance tax: spouses and civil partners domiciled outside the UK** – The Government will consult on legislation to increase the IHT-exempt amount that a UK domiciled individual can transfer to their non UK domiciled spouse or civil partner. The Government similarly proposes to allow individuals who are domiciled outside the UK and who have a UK domiciled spouse or civil partner to elect to be treated as domiciled in the UK for the purposes of IHT. Legislation will be in Finance Bill 2013.
- **Income tax rules on interest** – The Government will consult on changes to the income tax rules on the taxation of interest and interest-like returns, and the rules on the deduction of tax at source from such amounts. Following the consultation period there will be further opportunities to contribute to the development of policy. Any legislation will be in Finance Bill 2013.
- **Heritage maintenance funds (HMF)** – The Government will introduce legislation in Finance Bill 2013 to ease a restriction for trusts that are HMFs and which have deferred, or may defer, capital gains tax charges arising from the re-settlement of assets from one to another. This will apply with retrospective effect to April 2012 and will be subject to informal consultation.
- **Inheritance tax: periodic charges on trusts** – The Government will consult on simplifying the calculation of IHT periodic and exit charges for trusts. Legislation will be in Finance Bill 2013.

- **Community Investment Tax Relief (CITR)** – The Government will introduce legislation in Finance Bill 2013 to relax the CITR on-lending requirements that currently place conditions on the speed with which Community Development Finance Initiatives must on-lend the funding they receive, and introduce new rules to allow investors to carry unused relief forward.
- **Personal Independence Payment (PIP): tax reliefs** – PIP will replace Disability Living Allowance (DLA) from 2013-14. A number of tax reliefs are available to people in receipt of DLA. The Government will publish draft legislation in the autumn on how those reliefs will apply to PIP claimants; and to help inform decisions in relation to trusts for vulnerable and disabled people will consult over the summer on how they are best defined.
- **Income tax and NICs reform** – The Government announced in Budget 2011 that it would consult on the options, stages and timing of reforms to integrate the operation of income tax and NICs. Since then, the Government has issued a call for evidence, published a response and set out an indicative timetable for reform in Integrating the operation of income tax and National Insurance contributions: Next steps. Following detailed work with interested parties over recent months, the Government will consult shortly after Budget 2012 on a broad range of options for employee, employer and self employed NICs.

## Corporate tax

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- **Corporation tax rates** – Legislation will be introduced in Finance Bill 2013 to reduce the main rate of corporation tax for non ring fence profits to 22 per cent for the Financial Year commencing 1 April 2014.
- **Research and development (R&D) tax credits** – As announced at the Autumn Statement 2011, the Government intends to introduce an 'above the line' R&D tax credit in Finance Bill 2013 to encourage R&D activity by larger companies. The Government will consult on the detail but will ensure that SME R&D incentives are not reduced as a result of this change.
- **Corporation tax reliefs for the creative sector** – The Government will introduce corporation tax reliefs for the production of culturally British video games, television animation programmes and high end television productions. Consultation on the design will take place over the summer. Legislation will be in Finance Bill 2013



and will take effect from 1 April 2013, subject to State aid approval.

- **First year capital allowances for gas refuelling equipment –** Legislation will be introduced in Finance Bill 2013 to extend the 100 per cent first year capital allowance for plant and machinery used in gas, biogas and hydrogen refuelling stations for two years beyond the current expiry date, to 31 March 2015.
- **First-year capital allowances for low emission cars –** Legislation will be introduced in Finance Bill 2013 to extend the 100 per cent first year capital allowance for businesses purchasing low emission cars for two years beyond the current expiry date of 31 March 2013, except for leased cars. The qualifying threshold will also be reduced to 95g/km driven from the same date, to match EU emissions targets for 2015.
- **Capital allowances: emissions threshold for a main rate car –** Legislation will be introduced in Finance Bill 2013 to reduce the threshold for a main rate car to 130g/km, to match EU emissions targets for 2020, and the associated lease rental restriction will also be revalorised in line with this change. These changes will have effect from 1 April 2013 (for businesses in the charge to corporation tax) or 6 April 2013 (for businesses in the charge to income tax).
- **Tax credits for expenditure on environmentally beneficial plant or machinery –** Legislation will be introduced in Finance Bill 2013 to extend the availability of first-year tax credits, for companies surrendering losses attributable to their expenditure on designated energy-saving or environmentally beneficial plant or machinery, for a further five years from 1 April 2013.
- **Tax simplification for small businesses –** Following the Office of Tax Simplification review of small business taxation, the Government will consult on introducing a voluntary cash accounting basis for unincorporated businesses up to the VAT registration threshold, with a view to introducing legislation in Finance Bill 2013. It will also consult on a simplified expenses system for business use of cars, motor cycles and home. Finally, the Government will also consult on proposals to introduce a disincorporation relief. The consultation will look at the potential demand for such a relief as well as the practicalities of how it would work.
- **Lease premium relief –** The Government will consult on an informal basis on the potential implications of amending a complex element of lease premium relief, concerning the deemed tax treatment of long leases as shorter leases. Any legislation will be in Finance Bill 2013.
- **Life insurance: Qualifying Policies –** The Government has announced that it will limit the premiums that can be paid into qualifying life insurance policies each year with effect from 6 April 2013. Policies issued on or after this date will only be Qualifying Policies where the premiums payable for an individual into a policy or policies do not exceed £3,600 each year. Transitional provisions will also apply to qualifying policies issued on or after 21 March 2012 and before 6 April 2013, and before 21 March 2012 where certain variations are made after this date. These provisions will ensure that income tax relief continues to apply to benefits from these policies but only in respect of the premiums paid before 6 April 2013 and premiums paid up to the limit on or after this date. This measure will be the subject of formal consultation with legislation to be introduced in Finance Bill 2013.
- **Life insurance policies –** The Government will consult on reforming the time apportionment rules in the chargeable event gain regime that reflect a policyholder's period of residence outside the UK. Any legislation will be in Finance Bill 2013.
- **Foreign currency assets and corporate chargeable gains –** The Government will consult over the summer on whether to introduce a rule allowing companies with a non-sterling functional currency to compute their capital gains and losses in their functional currency. It aims to provide simpler and fairer tax treatment, as well as reducing administrative burdens for the companies impacted. Any legislation will be in Finance Bill 2013.
- **Corporation tax: NHS bodies –** Following changes to be introduced by the Health and Social Care Bill, the Government will legislate in Finance Bill 2013 to exempt certain NHS bodies from corporation tax.
- **Oil and gas: decommissioning certainty –** The Government will introduce legislation in Finance Bill 2013 giving it statutory authority to sign contracts with companies operating in the UK and UK Continental Shelf, to provide assurance on the relief they will receive when decommissioning assets. The Government will consult further on the precise form and details of such contracts in the coming months.
- **Real Estate Investment Trusts (REITs) –** The Government will consult on:

- the role REITs can play in supporting the social housing sector; and
- whether to change the treatment of income received by a REIT when it invests in another REIT.

Any legislation will be in Finance Bill 2013.

## Indirect tax

- **Remote gambling** – The Government will introduce a place of consumption based taxation regime for remote gambling. This follows a review of remote gambling taxation announced on 18 July 2011. Under the revised taxation regime, operators will pay tax on gambling profits generated from customers in the UK, whether the supplier is in the UK or elsewhere. A consultation on detailed design characteristics will follow shortly after Budget 2012. Legislation will be introduced in a future finance bill and the measure is planned to be introduced in December 2014, although the implementation date will be kept under review.
- **Combined bingo** – Subject to consultation the Government will relax the current bingo duty arrangements for combined bingo involving non-UK participants. An informal consultation will start in June and any legislation will be introduced in Finance Bill 2013.
- **Alcohol fraud** – The Government will consult on alcohol anti-fraud measures, including the introduction of fiscal marks for beer, supply chain legislation and a licensing scheme for wholesale alcohol dealers. Any legislation will be introduced in a future finance bill.
- **Herbal smoking products** – The Government will bring the tax treatment of legally available herbal smoking products in line with the treatment of those containing tobacco. A consultation will be published shortly after the Budget and legislation will be in Finance Bill 2013.
- **Aviation tax: rates** – Legislation will be introduced in Finance Bill 2013 to increase air passenger duty rates in line with RPI from 1 April 2013.
- **Vehicle excise duty (VED) administration** – The Government will introduce legislation in Finance Bill 2013 to:
  - extend the amount of time that a tax disc does not have to be displayed following the payment of tax from five working days to 14 days; and
  - allow additional days on nil rate VED licences, to deregulate licensing for vehicle leasing businesses.
- **Aggregates levy rate** – At Budget 2011, the Government announced that the rate of aggregates levy would increase from £2.00 to £2.10 per tonne from 1 April 2012. Budget 2012 delayed the planned increase until 1 April 2013. This will avoid putting additional pressure on the aggregates industry in Northern Ireland, following the suspension of the aggregates levy credit scheme. Legislation will be in Finance Bill 2013.
- **VAT: reduced rate for energy-saving materials in charitable buildings** – Charitable buildings, i.e. buildings that are used by charities for non-business purposes, and/or as village halls, will be removed from the scope of the reduced rate of VAT for the supply and installation of energy-saving materials. The reduced rate of VAT will continue to apply to the supply and installation of energy-saving materials in residential accommodation, including accommodation operated by charities. Legislation will be introduced in Finance Bill 2013.
- **VAT: zero rate for adapted motor vehicles and boats for wheelchair users** – The Government will introduce a voluntary disclosure scheme to gather further information about the use of the VAT zero rate relief on the supply of motor vehicles and boats adapted for use by wheelchair users. The relief is open to wide interpretation, difficult for suppliers to administer and vulnerable to abuse.
- **VAT: fuel scale charges** – The Government will consult on legislation to be introduced in Finance Bill 2013 to give effect to extra statutory concessions relating to fuel scale charges and the proposal that the revalorised fuel scale charges will be set out in an annual public notice having the force of law instead of an annual statutory instrument.
- **VAT: refunds for NHS bodies** – Following changes to be introduced by the Health and Social Care Bill, the Government will introduce legislation in Finance Bill 2013 to include certain NHS bodies within the Section 41 VAT Refund Scheme.
- **VAT: invoicing rules** – Following changes made by the EU Invoicing Directive, secondary legislation will be introduced to simplify the VAT invoicing rules, with effect from 1 January 2013.
- **VAT: Universal Credit consequential changes** – The rules governing the VAT zero and reduced rates will be amended to ensure claimants of Universal Credit (UC) get the same VAT relief as those who are claiming the benefits that the UC replaces. These changes will be introduced by statutory

instrument with effect from 1 April 2013.

- **VAT: exemption for education providers** – The Government will consult on and review the VAT treatment of education, particularly at university degree level, to ensure that commercial universities are treated fairly.
- **VAT: freight transport services** – The Government will introduce secondary legislation in autumn 2012 to formalise the temporary arrangements under which supplies of freight transport and related services taking place wholly outside the EU are not liable to UK VAT when performed for UK businesses and charities.
- **VAT treatment of small cable-based transport** – The rate of VAT applicable to the carriage of passengers on small cable-based transport will be reduced from 20 to 5 per cent with effect from 2013. This will apply where vehicles carry fewer than 10 people each, as transport in larger vehicles is zero-rated. This reduction will be evaluated after three years. Consultation on implementation, impact, administrative burdens and proposals for evaluation will take place in summer 2012.
- **Enveloping annual charge for high-value residential properties** – The Government will consult on the introduction of an annual charge on properties over £2 million owned by certain non-natural persons. Legislation will be introduced in Finance Bill 2013 with the measure coming into effect in April 2013.
- **Stamp duty land tax (SDLT): leases simplification** – The Government will explore ways of simplifying the complex rules that apply to lease arrangements that involve an abnormal rent increase, the substantial performance of an agreement for lease or a lease that continues after a fixed term. Informal consultation will take place through the SDLT working group, commencing in April 2012. Any legislation will be in Finance Bill 2013.

## Anti-avoidance

- **General anti-abuse rule (GAAR)** – The Government accepts the recommendation of the Aaronson Report, published on 11 November 2011, that a GAAR targeted at artificial and abusive tax avoidance schemes would improve the UK's ability to tackle tax avoidance whilst maintaining the attractiveness of the UK economy as a location for genuine business investment. The Government will consult on: new draft legislation which will be based on the recommendations of the Aaronson Report; establishment of the Advisory Panel; and the

development of full explanatory guidance. In addition it will extend the GAAR to SDLT. The consultation will be issued in summer 2012 with a view to introducing legislation in Finance Bill 2013. The Government is committed to ensuring that this legislation effectively tackles abusive tax avoidance and that the supporting guidance is practical both for taxpayers and for HMRC.

- **Manufactured payments** – On 15 September 2011, the Government announced its intention to legislate to block a tax avoidance scheme involving manufactured overseas dividends, a type of manufactured payment. At the same time it announced that it would consult on proposals to simplify the manufactured payments tax rules, as part of its rolling review of high risk areas of the tax code. A consultation will be published after Budget and there will be further opportunities for interested parties to contribute to development of the policy. If legislation follows in Finance Bill 2013 it will not have effect before Royal Assent to Finance Bill 2013.
- **Review of the taxation of unauthorised unit trusts** – Following consultation on reforms to the tax rules for unauthorised unit trusts in 2011, the Government will issue a further consultation in April 2012, which sets out detailed proposals for change. Legislation will be in Finance Bill 2013.
- **Personal services companies and IR35** – The Government is bringing forward a package of measures to tighten up on avoidance through the use of personal service companies and to make the existing IR35 legislation easier to understand. This will include HMRC strengthening specialist compliance teams, simplifying the way IR35 is administered, and consulting on proposals which would require office holders/controllers persons who are integral to the running of an organisation, to have PAYE and NICs deducted at source.

## Tax administration

- **Simplification of regulatory penalties** – Following consultation in June 2011, the Government intends to introduce a new power in Finance Bill 2013 to increase the value of fixed penalties in line with inflation. In addition, a small number of defunct penalties will be repealed. The Government has decided that the benefits of simplifying regulatory penalties are not sufficient to justify the cost of major reform.
- **Withdrawing a notice to file a self-assessment tax return** – HMRC will consult later this year on new legislation to enable them to withdraw

a notice to file a Self Assessment (SA) tax return in appropriate cases. Legislation will be in Finance Bill 2013.

- **PAYE late payment and filing penalties** – HMRC will consult before the summer on new models for late payment and late filing penalties under Real Time Information. Legislation will be in Finance Bill 2013.
- **Information powers** – The Government announced on 8 February 2012 that it has agreed to work with the governments of France, Germany, Italy and Spain to facilitate exchange of information between financial institutions and the US Internal Revenue Service for the purposes of the US Foreign Account Tax Compliance Act (FATCA), which aims to combat cross-border tax evasion. HMRC will consult with the financial institutions affected about how this can be done, with a view to legislation in Finance Bill 2013.
- **Criminal investigations** – Legislation will be introduced in Finance Bill 2013 to allow HMRC officers undertaking criminal investigations into direct tax or tax credits (former Inland Revenue) offences to:
  - seize suspected criminal cash under the Proceeds of Crime Act 2002 (POCA); and
  - exercise POCA search and seizure warrants.

This will bring the powers into line with those for indirect taxes and duties.

- **Customs and excise modernisation** – Following consultation, the Government will update legislation in relation to detention and definition of goods and the size of penalties for smuggling on ships. Legislation will be in Finance Bill 2013.

## Allowances, Reliefs and Rates

For your convenience, the following Tables set out the allowances, reliefs and rates of taxation.

### Personal Allowances

The personal allowances are as follows:

PERSONAL ALLOWANCES		
£ per year (unless stated)	2011-12	2012-13
Personal allowance ** (age under 65)	£7,475	£8,105
Personal allowance ** (age 65-74)	£9,940	£10,500
Personal allowance ** (age 75 and over)	£10,090	£10,660
Married couple's allowance* (aged less than 75 and born before 6/4/1935)	£7,295	£7,705
Married couple's allowance* (age 75 and over)	£7,295	£7,705
Married couple's allowance* (minimum amount)	£2,800	£2,960
Income limit for age-related allowances	£24,000	£25,400
Blind person's allowance	£1,980	£2,100

\*Married couple's allowance is given at the rate of 10%

\*\*From the 2010-11 tax year, the personal allowance reduces where the income is above £100,000 - by £1 for every £2 of income above the £100,000 limit.

### Tax Rates

INCOME TAX: TAXABLE BANDS		
Rate	2011-12	2012-13
Savings rate	£0 to £2,560	£0 to £2,710
Basic rate	(20% (1) £0 to £35,000	(20% (1) £0 to £34,370
Higher rate 40%	£35,001 to £150,000	£34,371 to £150,000
Additional rate 50% (2)	Over £150,000	Over £150,000

#### Notes:

(1) There is a 10% starting rate for savings income only. If an individual's taxable non-savings income is above this limit then the 10% savings rate will not be applicable.

The rates applicable to dividends are the 10% ordinary rate and the 32.5% dividend upper rate (the effective rate is 25% of the dividend received) and the 42.5% dividend upper rate for additional rate taxpayers (the effective rate is 36.1% of the dividend received). With the additional rate falling to 45% in 2013-14, the effective rate on dividends will become 30.6% for 2013-14.

#### Higher rate of Income Tax frozen

The point at which you start to pay the higher rate of Income Tax (known as the higher rate threshold) has been frozen at 2011-12 levels. The basic rate limit will decrease by £630 to £34,370, to balance the £630 increase in the personal allowance for people aged under 65.

(2) The additional rate reduces to 45% from April 2013.

### IHT Rates and Reliefs

The following are the thresholds for IHT:

INHERITANCE TAX (IHT) THRESHOLDS	
Year	Nil Rate Band
2006-07	£285,000
2007-08	£300,000
2008-09	£312,000
2009-10	£325,000
2010-11 to 2014-15	£325,000
For married and civil partners, the above figures can potentially be doubled from 9 Oct 2007	
Note: The rate of IHT is 40% (from 6/4/2012, where 10% or more of an estate is gifted to charity, the IHT rate drops to 36%)	

IHT MAIN EXEMPTIONS	
	Exempt Amount
Annual gifts per donor	£3,000 per year
Small gifts to same person	£250
To non-domicile spouse	£55,000 for life
To UK domicile spouse	unlimited gifts
On marriage by either party to the marriage	£2,500
On marriage by parent of either party	£5,000
On marriage by remoter ancestor of either party	£2,500
On marriage by any other person	£1,000
To charities	all gifts
To political parties	all gifts

IHT CHARGE ON GIFTS WITHIN SEVEN YEARS OF DEATH	
Years between gift and death	%age of death rate charge applied to gift
0 to 3	100%
3 to 4	80%
4 to 5	60%
5 to 6	40%
6 to 7	20%

If an estate includes UK woodlands, a claim may be made to defer IHT on the value of growing timber, subject to meeting certain conditions. Generous reliefs are available on 'relevant business property'. Qualifying assets can have their IHT values reduced substantially (subject to meeting certain conditions) as shown in the next Table.

BUSINESS PROPERTY RELIEF	
Asset	% Reduction
Business or interest in a business	100
Land, buildings, machinery or plant used in a company you control, or in a partnership to which you belong	50
Shares in an unquoted AIM company	100
Shares in a fully quoted company in which there is control	50
Owner-occupied farms and agricultural tenancies (after 1 September 1995)	100
Interest of landlords in let farmland	100

## National Insurance

NATIONAL INSURANCE CONTRIBUTIONS		
	2011-12	2012-13
Lower earnings limit, primary class 1	Below £102 a week	£107 a week
Upper earnings limit, primary class 1	£139 to £817 a week	£817 a week
Primary threshold	£102 to £139 a week	£146 a week
Secondary threshold	Below £136 a week	£144 a week
Employees' primary class 1 rate	12% on earnings above earnings threshold, up to upper earnings limit	12% on earnings above earnings threshold, up to upper earnings limit
	2% above upper earnings limit	2% above upper earnings limit
Employees' contracted-out rebate	1.60%	1.40%
Married women's reduced rate	5.85% on earnings above earnings threshold, up to upper earnings limit	5.85% on earnings above earnings threshold, up to upper earnings limit
	2% above upper earnings limit	2% above upper earnings limit
Employers' secondary class 1 rate	13.8% on earnings above earnings threshold	13.8% on earnings above earnings threshold
Employers' contracted-out rebate, salary-related schemes	3.70%	3.40%
Employers' contracted-out rebate, money-purchase schemes	1.40%	Abolished from 6/4/2012
Class 2 rate	£2.50 a week	£2.65 a week
Class 2 small earnings exception	£5,315 a year	£5,595 a year
Special class 2 rate for share fishermen	£3.15 a week	£3.30 a week
Special class 2 rate for volunteer development workers	£5.10 a week	£5.35 a week
Class 3 rate	£12.60 a week	£13.25 a week
Class 4 rate	9%	9%
Class 4 lower profits limit	£7,225 a year	£7,605 a year
Class 4 upper profits limit	£42,475 a year	£42,475 a year
Class 4 rate above upper profits limit	2%	2%

**Note:** Rebates for money-purchase schemes are abolished on 5 April 2012.

## Pensions and Pension Contributions

For individuals with taxable income of £150,000 or more, tax relief on pension contributions is restricted (from 6 April 2011) to the basic rate.

PENSIONS - ANNUAL AND LIFETIME ALLOWANCES		
Tax Year	Annual Allowance	Lifetime Allowance
2006-07	£215,000	£1,500,000
2007-08	£225,000	£1,600,000
2008-09	£235,000	£1,650,000
2009-10	£245,000	£1,750,000
2010-11	£255,000	£1,800,000
2011-12	£50,000	£1,800,000
2012-13	£50,000	£1,500,000

STATE PENSION		
	2011-12	2012-13
Single Person	£102.15 per week	£107.45 per week
Married man or woman or civil partner (who qualify with their own National Insurance contributions)	£102.15 per week	£107.45 per week
Married man, woman or civil partner (using his wife's, her husband's or their civil partner's National Insurance contributions record)	£61.20 per week	£64.40 per week

PENSION CREDIT		
	2011-12	2012-13
Standard minimum income guarantee:		
Single	£137.35 per week	£142.70 per week
Couple	£209.70 per week	£217.90 per week

## Child Benefit and Guardian's Allowance

The rates of Child Benefit and Guardian's Allowance are as follows:

CHILD BENEFIT RATES		
	2011-12	2012-13
Eldest/only child	£20.30 per week	£20.30 per week
Other children	£13.40 per week	£13.40 per week
Guardian's allowance	£14.75 per week	£15.55 per week

**Note:** The Guardian's Allowance is a tax-free payment for people who are bringing up children whose parents have died. In certain circumstances you may qualify for Guardian's Allowance where only one parent has died.

## Child and Working Tax Credit Rates and Child Benefit

The rates are:

TAX CREDITS		
Working Tax Credits	2011-12	2012-13
Basic element	£1,920	£1,920
Couple and lone parent element	£1,950	£1,950
30 hour element	£790	£790
Disabled worker element	£2,650	£2,790
Severe disability element	£1,130	£1,190
50+ Return to work payment (16-29 hours)	£1,365	Withdrawn
50+ Return to work payment (30+ hours)	£2,030	Withdrawn
<b>Childcare element of Working Tax Credit</b>		
Maximum eligible cost for one child, per week	£175	£175
Maximum eligible cost for two or more children, per week	£300	£300
Percentage of eligible costs covered	70%	70%
<b>Child Tax Credit</b>		
Family element	£545	£545
Family element, baby addition	Withdrawn	Withdrawn
Child element	£2,555	£2,690
Disabled child element	£2,800	£2,950
Severely disabled child element	£1,130	£1,190
<b>Income threshold and withdrawal rates</b>		
First income threshold	£6,420	£6,420
First withdrawal rate (%)	41%	41%
Second income threshold	£40,000	Withdrawn
Second withdrawal rate (%)	41%	n/a
First threshold for those entitled to Child Tax Credit only	£15,860	£15,860
Income disregard	£10,000	£10,000
Income fall disregard	n/a	£2,500

### Note

As announced in the June Budget 2010, the 50 plus element of the Working Tax Credit will be removed from April 2012.

As announced in the June Budget 2010, the family element of the Child Tax Credit will taper immediately after the child element from April 2012.

## Capital Gains Tax

CAPITAL GAINS TAX EXEMPT AMOUNT		
Year	Individuals	Trustees
2011-12	£10,600	£5,300
2012-13	£10,600	£5,300

The rate of CGT for 2011-12 is 18% up to the limit of the basic rate income tax band and 28% on gains above that limit.

## Entrepreneurs' Relief

Entrepreneurs' Relief allows individuals and some trustees to claim tax relief for 2008-09 onwards on qualifying gains, up to a maximum lifetime limit, made on the disposal of any of the following:

- all or part of a business;
- the assets of a business after it has ceased;
- shares in a company.

There's a maximum lifetime limit on the aggregate amount of Entrepreneurs' Relief you can claim on qualifying gains:

- the first £1 million from 6 April 2008 to 5 April 2010;
- the first £2 million from 6 April 2010 to 22 June 2010;
- the first £5 million from 23 June 2010;
- the first £10 million from 6 April 2011.

Claims for Entrepreneurs' Relief can be made on more than one occasion as long as the total qualifying gains in all the claims doesn't exceed the lifetime limit.

### REDUCING GAINS LIABLE TO CGT

For 2009-10, Entrepreneurs' Relief reduces the amount of gains liable to Capital Gains Tax by four-ninths on all qualifying gains up to the maximum lifetime limit.

From 23 June 2010, the four-ninths reduction above no longer applies. Instead, all qualifying gains up to the maximum lifetime limit made are taxable at 10%.

## Capital Allowances

Capital allowances are:

CAPITAL ALLOWANCES		
Tax Years	2011-12	2012-13
Writing Down Allowance (WDA) on Plant & Machinery in the general pool	20%	18%
WDA on Plant & Machinery Long Life assets in the general pool and on integral fixtures	10%	8%
Temporary first year allowance	40%	Not available
Annual Investment Allowance available at 100% on qualifying expenditure on most plant & machinery (apart from cars) of up to the figures shown in the next two columns.	£100,000	£25,000

## Tax Rates for Trustees

SPECIAL RATES FOR TRUSTEES' INCOME			
Tax Years	2011-12	2012-13	2013-14
Standard rate on first £1,000 of income which would otherwise be taxable at the special rates for trustees.	Up to 20%, depends on the type of income	Up to 20%, depends on the type of income	Up to 20%, depends on the type of income
Trust rate	50%	50%	45%
Dividend trust rate	42.50%	42.50%	37.50%

## VAT Rates

VALUE ADDED TAX		
	2011-12	2012-13
<b>Rates:</b>		
Standard rate	20%	20%
Reduced rate	5%	5%
VAT fraction	1/6 <sup>th</sup>	1/6 <sup>th</sup>
<b>Limits:</b>		
Registration	£73,000	£77,000
Deregistration	£71,000	£75,000
Annual accounting turnover	£1.35m	£1.35m



## Car Benefits

The main car benefits are as follows:



CAR BENEFITS TABLE					
< Vehicle CO <sub>2</sub> Emissions >				< Car Benefits >	
2010/11	2011/12	2012/13	2013/14	Petrol	Diesel
120	120	Up to 99	Up to 95	10	13
n/a	n/a	100	95	11	14
n/a	n/a	105	100	12	15
n/a	n/a	110	105	13	16
n/a	n/a	115	110	14	17
130	125	120	115	15	18
135	130	125	120	16	19
140	135	130	125	17	20
145	140	135	130	18	21
150	145	140	135	19	22
155	150	145	140	20	23
160	155	150	145	21	24
165	160	155	150	22	25
170	165	160	155	23	26
175	170	165	160	24	27
180	175	170	165	25	28
185	180	175	170	26	29
190	185	180	175	27	30
195	190	185	180	28	31
200	195	190	185	29	32
205	200	195	190	30	33
210	205	200	195	31	34
215	210	205	200	32	35
220	215	210	205	33	35
225	220	215	210	34	35
230	225	220	215	35	35

### Notes:

#### Changes introduced in Budget 2010

- *Abolition of special 10% benefit in kind rate from 6 April 2012:* Cars with emissions below 120g/km will no longer qualify for the special benefit in kind rate of 10% company car tax (13% for diesels).
- *New 10% benefit in kind company car tax rate from 6 April 2012:* 10% tax rate will apply to company cars with emissions up to 99g/km. Additionally, the company car tax bands will increase by one percentage point with every 5g/km above the 10% band.

#### Changes for tax year 2011/12

- *Abolition of £80,000 price cap:* Price cap removed on company car list prices for benefit in kind taxation purposes.
- *Alternatively fuelled car discounts disappear:* Applies to petrol-electric and diesel-electric hybrids, flex-fuel vehicles, bi-fuel cars and gas-fuelled cars.
- *Electric cars and electric van exemptions:* Electric cars will be exempt from company car tax for five years. Electric vans will be exempt from company van tax for five years.
- *National Insurance rises:* National Insurance rose by 1% from April 6, 2011. For an employee, that means 12% National Insurance on earnings. Meanwhile employers will see their National Insurance Contributions rise to 13.8% which will be payable on benefit in kind provision such as a company car and private use of fuel paid for by the company.

#### Changes introduced in Budget 2011

- *Benefit in kind company car tax rates for zero emission cars remain at 0%*
- *Benefit in kind company car tax rates for ultra-low emission cars (up to 75 g/km) will remain at 5%.*

#### How to use the Table

1. Look up the tax year in question
2. Look up the CO<sub>2</sub> emissions for your car.
3. If your car's CO<sub>2</sub> emissions fall between bandings, round the number down to work out the company car tax band. For example, a petrol business car emitting 153g/km would be classified in the 20% benefit in kind band for the 2011/12 tax year.

Source: <http://www.businesscarmanager.co.uk/company-car-tax-tables-for-tax-years-201011-to-201314/>

## Mileage Allowances

The maximum tax free mileage allowances for employees using their own transport for business journeys are as follows:

REIMBURSEMENT RATES, PER MILE		
	First 10,000 miles	Over 10,000 miles
Car / van	45p	25p
Motorcycle	24p	24p
Bicycle	20p	20p
Passenger payments	5p	5p

If an employer pays a mileage rate higher than the statutory rate, the employee pays income tax on the excess. If an employer pays a mileage rate lower than the statutory rate the employee can claim tax relief on the shortfall.

CAR - ADVISORY FUEL RATES EFFECTIVE FROM 1 MARCH 2012			
Engine capacity	Petrol	Diesel	Gas
Up to 1400cc	15p	13p	10p
1401 - 2000cc	18p	15p	12p
Over 2000cc	26p	19p	18p

VAT-registered businesses can reclaim VAT at the rate of 1/6th based on these fuel only mileage rates. Sufficient fuel VAT receipts must be kept to support the amount of VAT reclaimed. Based on the above Table, the VAT recoverable for each business mile is as follows:

CAR - ADVISORY FUEL RATES VAT RECOVERABLE FROM 1 MARCH 2012			
Engine capacity	Petrol	Diesel	Gas
Up to 1400cc	2.50p	2.17p	1.67p
1401 - 2000cc	3.00p	2.50p	2.00p
Over 2000cc	4.33p	3.17p	3.00p

## Interest on late payment of tax

INTEREST ON LATE TAX PAYMENTS	
	From 29/9/09
Income Tax, NIC & CGT Stamp Duty and Stamp Duty Reserve Tax	3%
CTSA, from normal due date	3%
Inheritance Tax	3%

## Official Rate of Interest

Directors and employees earning £8,500 a year or more (including gross expenses payments and the value of benefits in kind) are taxable on benefits in kind. The amount chargeable to tax in respect of a loan made by an employer is based on the difference between the interest paid by the employee (if any) and the interest which would have been paid on the loan at the "official rate" of interest.

Tax year to 5 April	Rate
2012	4%
2013	4%

## Tax Shelters

Tax shelters are as follows:

TAX SHELTERS					
<b>Venture Capital Trusts</b> - investment limit and rate of tax relief (maximum)	£200,000 (relief at 30%)				
<b>EIS</b> - investment limit and rate of tax relief (maximum)	£1m (relief at 30%) from 6/4/2012 (previously £500,000)				
<b>Seed EIS (SEIS)</b> will offer 50% income tax relief on investments in small early stage companies carrying on, or preparing to carry on, a new business in a qualifying trade for which legislation will be introduced in Finance Bill 2012 so that the new SEIS relief can start from April 2012. In addition to the SEIS income tax relief, there will be a capital gains tax (CGT) exemption for gains realised in 2012-13 and then invested through SEIS in the same year. (This exemption is separate from the CGT disposal relief that will apply to gains on disposals of SEIS shares.) By way of simple summary, SEIS income tax relief is available in respect of investments in shares in new (two years old or less) smaller companies (those with 25 or fewer employees and assets of up to £200,000). The company must be carrying on, or preparing to carry on, a new business in a qualifying trade, and must not have previously raised money under the EIS or VCT (venture capital trust) schemes.	The income tax relief is available on total investments up to £150,000 per company. To give the greatest degree of flexibility, this will be a cumulative limit, not an annual limit. For individual investors there is an annual limit on the amount of qualifying investments of £100,000.				
<b>Tax-free employment termination</b>	£30,000				
<b>Tax-free "rent-a-room" income</b>	£4,250 (£2,125 if letting jointly)				
<b>ISAs</b>	<table border="1"> <thead> <tr> <th>2011-12</th> <th>2012-13</th> </tr> </thead> <tbody> <tr> <td>£10,680 (of which up to £5,340 can be saved in a cash ISA)</td> <td>£11,280 (of which up to £5,640 can be saved in a cash ISA)</td> </tr> </tbody> </table>	2011-12	2012-13	£10,680 (of which up to £5,340 can be saved in a cash ISA)	£11,280 (of which up to £5,640 can be saved in a cash ISA)
2011-12	2012-13				
£10,680 (of which up to £5,340 can be saved in a cash ISA)	£11,280 (of which up to £5,640 can be saved in a cash ISA)				
<b>Note:</b> The annual ISA limit is index-linked from 6 April 2011					

## Stamp Duty Rates

The stamp duty land tax rates for property or land purchases are:

STAMP DUTY LAND TAX RATES FROM 23 MARCH 2006 to 2 SEPTEMBER 2008 AND FROM 1 JANUARY 2010				
	Land in disadvantaged areas		All other land in the UK	
Rate	Residential	Non-residential	Residential	Non-residential
0%	Up to £150,000	Up to £150,000	Up to £125,000 (note 1)	Up to £150,000
1%	More than £150,000 but not more than £250,000	More than £150,000 but not more than £250,000	More than £125,000 but not more than £250,000 (note 1)	More than £150,000 but not more than £250,000
3%	More than £250,000 but not more than £500,000	More than £250,000 but not more than £500,000	More than £250,000 but not more than £500,000	More than £250,000 but not more than £500,000
4%	More than £500,000	More than £500,000	More than £500,000	More than £500,000
5%	See below		See below	

STAMP DUTY LAND TAX RATES FROM 3 SEPTEMBER 2008 to 31 DECEMBER 2009				
	Land in disadvantaged areas		All other land in the UK	
Rate	Residential	Non-residential	Residential	Non-residential
0%	Up to £175,000	Up to £150,000	Up to £175,000	Up to £150,000
1%	More than £175,000 but not more than £250,000	More than £150,000 but not more than £250,000	More than £175,000 but not more than £250,000	More than £150,000 but not more than £250,000
3%	More than £250,000 but not more than £500,000	More than £250,000 but not more than £500,000	More than £250,000 but not more than £500,000	More than £250,000 but not more than £500,000
4%	More than £500,000	More than £500,000	More than £500,000	More than £500,000

### Notes:

- (1) A stamp duty relief for first-time buyers of residential property costing up to £250,000 applies for 2 years from 25 March 2010. From 6 April 2011, a new 5% rate applies to buyers of residential property costing over £1m.
- (2) Properties sold for more than £2m after 21 March 2012 will be subject to a new 7% stamp duty charge. Stamp duty on residential properties over £2m which are bought via a company would increase to 15% after 21 March 2012.

## Corporation Tax Rates

The rates of Corporation Tax are shown in the Table below. The profit limits will be reduced for a company that is part of a group or has associated companies. The lower rates and marginal reliefs do not apply to close investment holding companies.

CORPORATION TAX RATES		
Year(s) to 31 March	2012	2013
Companies earning under £300,000	From £1 to £300,000 @ 20%	From £1 to £300,000 @ 20%
Companies earning between £300,000 and £1.5million:		
First £300,000	20%	20%
Upper Marginal rate (excess over £300,000)	27.50%	25.00%
Companies earning over £1.5million:		
Main rate	26% *	24% *

\*The main rate is reducing each year so that by 2014 it will be reduced to 22%.

## Tax Calendar to the end of 2012

**SELF ASSESSMENT:** The following dates apply to those who are employed, self-employed, and all other taxpayers

- 30-Dec-11** For those with a tax liability of less than £2,000\*\*, if you file your self- assessment tax return on-line by this date, the tax office will adjust your PAYE code (provided you are an employee) so that you can pay any tax due for 2010/11 over time through PAYE, rather than as a lump sum on 31 January 2012.
- \*\*The Limit has been increased to £3,000 but regulations were not in force in time to amend the 2010/11 tax returns, and the £2,000 limit remains in place for 2010/11 self-assessment (SA) underpayments to be coded out in 2012/13. However, having said this, it may in fact be possible to code out underpayments between £2,000 and £3,000 – but agents will need to contact HMRC to request this for individual clients. Underpayments not generated from SA can be coded out up to the £3,000 limit, and will be included automatically in the 2012/13 code.
- 31-Jan-12** If you were sent a 2010/11 tax return, this is the deadline for sending back the completed return. This is also the deadline for paying the balance of any tax that you owe for 2010/11.
- Some people may have to make "payments on account". Each payment will normally equal one half of the previous year's tax liability (after taking off tax deducted at source and tax credits on dividends). The payments are due on 31 January in the tax year and 31 July following the tax year.
- Any Capital Gains Tax due for 2010/11 would be part of, or form, the balancing payment due on this date.
- If either the balancing payment for 2010/11 or first payment on account for 2011/12 is not made by this date, then interest will be charged.
- 01-Feb-12** If you were sent a tax return for 2010/11, you will be charged a penalty of £100 if HMRC has not received your return by this date. The penalty increases over time – see [www.hmrc.gov.uk/sa/deadlines-penalties.htm#3](http://www.hmrc.gov.uk/sa/deadlines-penalties.htm#3) for details.
- 28-Feb-12** If you have not made the balancing payment due for 2010/11 by this date, an automatic 5% surcharge will be applied. The 5% surcharge does not apply to late payment of the first payment on account for 2011/12.
- 05-Apr-12** The last day of the 2011/12 tax year.
- 31-May-12** By this date, your employer should have given you a Form P60 (pay and tax details from employment) to assist you with the completion of your tax return for the year ended 5 April 2012.
- 05-Jul-12** You must make a claim to HMRC for any new tax credits to which you are entitled (in order to receive full entitlement).
- 06-Jul-12** If applicable to you, your employer must provide you with a copy of Form P11D showing details of the benefits in kind provided to you or expense payments reimbursed to you. Benefits in kind include, for example, the provision of a company car.
- 31-Jul-12** Some people may have to make payments on account. Each payment will normally equal one half of the previous year's tax liability (after taking off tax deducted at source and tax credits on dividends). The payments are due on 31 January in the tax year and 31 July following the tax year.
- If you need to make a second payment on account for the tax year ending on 5 April 2012, this is the date by which it should be made.
- If you have still not made a balancing payment of tax for 2010/11 by this date, you will be charged a second automatic 5% surcharge. The second 5% surcharge does not apply to late payment of the first payment on account for 2010/11.
- If you were sent a tax return for 2010/11 you will be charged a second penalty of £100 if HMRC has not received your return by this date.
- 05-Oct-12** You must tell HMRC of any income or capital gains you have received in the 2011/12 tax year, if you have not received a tax return. You have a legal obligation to do this. HMRC may, or may not, need to send you a tax return - some taxpayers will be able to pay the right amount of tax through an adjustment to their PAYE code.
- 31-Oct-12** If you were sent a 2011/12 tax return, this is the deadline for sending back the completed paper tax return. Paper tax returns must be filed by this date if you want HMRC to collect any unpaid tax (of under £3,000) for 2011/12 through PAYE. For self-assessment tax returns filed on-line, the filing deadline is 31 January 2013.
- 30-Dec-12** For those with a tax liability of less than £3,000, if you file your self-assessment tax return on-line by this date, the tax office will adjust your PAYE code (provided you are an employee) so that you can pay any tax due for 2010/11 over time through PAYE, rather than as a lump sum on 31 January 2012.

## PARTNERS AND PARTNERSHIPS: The following are dates for Partners and Partnerships

- 31-Jan-12** If you were sent a 2010/11 tax return, this is the deadline for sending back the completed return. This is also the deadline for paying the balance of any tax that you owe for 2010/11.
- Some people may have to make "payments on account". Each payment will normally equal one half of the previous year's tax liability (after taking off tax deducted at source and tax credits on dividends). The payments are due on 31 January in the tax year and 31 July following the tax year.
- Any Capital Gains Tax due for 2010/11 would be part of, or form, the balancing payment due on this date.
- If either the balancing payment for 2010/11 or first payment on account for 2011/12 is not made by this date, then interest will be charged.
- For members of a partnership or limited liability partnership, this is the deadline by which the completed 2010/11 partnership tax return should be sent back to HMRC.
- 01-Feb-12** If you were sent a tax return for 2010/11, you will be charged a penalty of £100 if HMRC has not received your return by this date. The penalty increases over time – see [www.hmrc.gov.uk/sa/deadlines-penalties.htm#3](http://www.hmrc.gov.uk/sa/deadlines-penalties.htm#3) for details.
- Where HMRC has not received the completed 2010/11 partnership tax return by this date, each member of the partnership or limited liability partnership will be charged a penalty of £100. This penalty applies even if the member does not have a liability to tax for the year.
- 28-Feb-12** If you have not made the balancing payment due for 2010/11 by this date, an automatic 5% surcharge will be applied. The 5% surcharge does not apply to late payment of the first payment on account for 2011/12.
- 05-Apr-12** The last day of the 2011/12 tax year.
- 05-Jul-12** You must make a claim to HMRC for any new tax credits to which you are entitled (in order to receive full entitlement).
- 31-Jul-12** Some people may have to make payments on account. Each payment will normally equal one half of the previous year's tax liability (after taking off tax deducted at source and tax credits on dividends). The payments are due on 31 January in the tax year and 31 July following the tax year.
- If you need to make a second payment on account for the tax year ending on 5 April 2012, this is the date by which it should be made.
- If you have still not made a balancing payment of tax for 2010/11 by this date, you will be charged a second automatic 5% surcharge. The second 5% surcharge does not apply to late payment of the first payment on account for 2011/12.
- If you were sent a tax return for 2010/11, you will be charged a second penalty of £100 if HMRC has not received your return by this date.
- 05-Oct-12** You must tell HMRC of any income or capital gains you have received in the 2011/12 tax year, if you have not received a tax return. You have a legal obligation to do this.
- 31-Oct-12** If you want HMRC to calculate your 2011/12 tax liability, your paper 2011/12 tax return must be with them by this date. The deadline for internet filed returns for 2011/12 tax returns is 31 January 2013.

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COMPANIES AND EMPLOYERS: The following are dates for companies and employers.

NOTE: Dates relating to companies only are highlighted in purple.

<b>14-Jan-12</b> (Companies only)	Due date for income tax due for the CT61 (Quarterly accounting) quarter to 31 December 2011.
<b>19-Jan-12</b>	Monthly PAYE/NIC to 5 January 2012 due.
<b>02-Feb-12</b>	Last day for notifying car changes in quarter to 5 January 2012 - Form P46 (Car).
<b>19-Feb-12</b>	Monthly PAYE/NIC to 5 February 2012 due.
<b>19-Mar-12</b>	Monthly PAYE/NIC to 5 March 2012 due.
<b>31-Mar-12</b> (Companies only)	End of Corporation Tax financial year. Corporation tax return for the year ended 31 March 2012 to be filed by this date to avoid £100 penalty (£500 for third consecutive default).
<b>14-Apr-12</b> (Companies only)	Due date for income tax due for the CT61 (Quarterly accounting) quarter to 31 March 2012.
<b>19-Apr-12</b>	Monthly PAYE/NIC to 5 April 2012 due. Any arrears of PAYE/NIC due for the year ended 5 April 2012 to be paid by this date.
<b>03-May-12</b>	Last day for notifying car changes in quarter to 5 April 2012 - Form P46 (Car).
<b>19-May-12</b>	Monthly PAYE/NIC to 5 May 2012 due. Employer's PAYE/NIC return P35 for the year ended 5 April 2012 must be with HMRC.
<b>31-May-12</b>	Forms P60, showing pay and tax details, for the year ended 5 April 2012 should be given to all current employees (and to ex-employees who request them).
<b>19-Jun-12</b>	Monthly PAYE/NIC to 5 June 2012 due.
<b>1-Jul-12</b> (Companies only)	Corporation tax return for the year ended 31 March 2011, not filed before 31 March 2012, to be filed by this date to avoid a minimum £200 penalty (£1,000 for third consecutive default). Tax geared penalties apply where returns are filed more than 18 months after the end of the return period.
<b>06-Jul-12</b>	Copies of Forms P11D, showing details of the benefits in kind provided and/or expense payments reimbursed, for the year ended 5 April 2012 must be provided to all current employees (and to ex-employees who request them).
<b>14-Jul-12</b> (Companies only)	Due date for income tax due for the CT61 (Quarterly accounting) quarter to 30 June 2012.
<b>19-Jul-12</b>	Monthly PAYE/NIC to 5 July 2012 due. Employers Class 1A NICs on Relevant Benefits in Kind must be paid.
<b>19-Aug-12</b>	Monthly PAYE/NIC to 5 August 2012 due.
<b>19-Sep-12</b>	Monthly PAYE/NIC to 5 September 2012 due.
<b>14-Oct-12</b> (Companies only)	Due date for income tax due for the CT61 (Quarterly accounting) quarter to 30 September 2012.
<b>19-Oct-12</b>	Monthly PAYE/NIC to 5 October 2012 due.
<b>19-Nov-12</b>	Monthly PAYE/NIC to 5 November 2012 due.
<b>19-Dec-12</b>	Monthly PAYE/NIC to 5 December 2012 due.

Dates that only apply to companies:

<b>9 months after company year end</b>	Corporation Tax for the year to be paid.
<b>9 months (6 months for PLCs) after company year end</b>	Company accounts for the year to be filed with Companies House.
<b>12 months after company year end</b>	Company accounts for the year to be filed with HMRC, together with Corporation Tax return Form CT600.
<b>Annually on anniversary of company incorporation</b>	Annual Return showing details of Company Directors, Secretary and Shareholders to be filed with Companies House, within 28 days together with filing fee.
<b>Quarterly (unless monthly or annual accounting opted for)</b>	VAT Return to be filed with Customs & Excise, together with any VAT due, by the end of the month following the end of the VAT quarter.

## Further Information

This Budget Report was prepared immediately after the Chancellor’s Budget Statement on 21 March 2012 and is based on official press releases and supporting documentation. This publication summarises many, but not all, of the proposals and new measures issued in the press releases published today – these run to hundreds of pages.

The press releases and other Government announcements are crown copyright which is duly acknowledged.

The Budget proposals are subject to amendment before the 2012 Finance Act receives Royal Assent.

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This guide is for general interest - it is always essential to take advice on specific issues.

We believe that the facts are correct as at the date of publication, but there may be certain errors and omissions for which we cannot be responsible.

If you would like to receive further information about this subject or other publications, please call us – see our contact details on the next page.



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Publication issued or updated on: 21 March 2012

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## References etc

- <sup>1</sup> Source (including next section): <http://www.hm-treasury.gov.uk/budget2012.htm>
- <sup>2</sup> See: [http://www.hm-treasury.gov.uk/about\\_budget.htm](http://www.hm-treasury.gov.uk/about_budget.htm)
- <sup>3</sup> See: <http://www.hmrc.gov.uk/budget2012/ootlar-main.pdf>

# PROBIZ

Dear Sir/Madam,

PROBIZ (*Tax & Wealth Management Planning specialist*) is pleased to bring you this high quality report. PROBIZ has specialised in tax planning and reducing thousands of business individuals liability for the past 5 years. The success and track record of these tax strategies is exceptional and over 400 accountants across the UK under the PROBIZ brand now have exclusive access to these solutions.

## Corporation Tax

You can use our tax planning from as low as £70,000 business profits. In simple, if you are earning £70,000+ profits in your company we would like to talk to you! For example the Tax saving on £350,000 of taxable profit is £109,000! Imagine more disposable income!

## Income Tax

Again, we can reduce income tax and PROBIZ specializes in serving many Doctors and Dentists and generally those earning £70,000+ per year.

## Contractor Solution

With an entry level of only £30,000, as a contractor you would become an employee of an Isle of Man company. Receive approx. 82% of gross earnings. Minimum tax saving on £100,000 of income is £17,000 (subject to change)

## Capital Gains Tax

If you are selling property or assets we can reduce CGT liability!

## Inheritance Tax

Finally, everyone with a sum of money and assets face inheritance tax headache and again PROBIZ can help. We can help you reduce your liability to 10%.

All you need to do is call PROBIZ or speak to your PROBIZ accountant who has exclusive access to many of the tax solutions and now and we can set-up a free tax consultation for you (normally £697+vat).

**So call us now and see how we can save you money - 01344 777 900**



Keeping  
what you  
earn!

For further information please contact:

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