

SPEED READ - INDIVIDUALS

- **National minimum wage increase to £9.50 per hour.**
- **Universal Tax Credit tapering to be readdressed in favour of those on credits, who are receiving other income.**
- **Some changes in alcohol and flight levies.**
- **Extension of deadline from 30 to 60 days for reporting and paying Capital Gains Tax on the sale of residential property.**
- **Additional powers for HMRC to assess and impose certain tax charges, including the high income child benefit charge.**

SPEED READ - COMPANIES

- **Extension of the previously announced increase in the annual investment allowance (to £1 million).**
- **50% reduction in business rates for hospitality, leisure and retail.**

HOW CAN BLUE PEAK HELP?

We have a wealth of experience assisting individuals and businesses with all aspects of tax and accounting, from tax compliance through to tax efficiencies. Contact us to discuss your personal circumstances, or talk through your business in more detail and find out how the budget may impact you on 0118 321 9151 / www.blue-peak.co.uk

BUDGET - AUTUMN 2021 - KEY UPDATES

Blue Peak Commentary

This budget is fairly light in terms of changes and the overall message was a positive one, with the Chancellor outlining plans for bringing the economy into a 'post-Covid era'. He confirmed that growth is up, employment is up and borrowing is down and the economy is expected to return to pre-Covid levels by the end of 2021. There are also a number of measures which will support those on Universal Credit or National Minimum Wage, as well as small businesses in retail, hospitality and leisure.

National Minimum Wage

National Minimum Wage will increase by 6.6% to £9.50 per hour (for those aged 23 or over) from April 2022, with similar increases for those who are younger.

Corporation Tax

The temporary increase on annual investment allowance (to £1 million) for businesses investing in qualifying assets is being extended to March 2023.

Business Rates

Business rates will be reduced by 50% for retail, hospitality and leisure, capped at £110,000. There was a further announcement that rateable values will be reassessed every three years from 2023, with additional relief being available for companies making improvements on their property for 12 months.

Alcohol & Air Travel Duty

The planned increase on alcohol duties has been scrapped, with a simplified system being introduced. This will mean the level of duty is dependent on the strength of the alcohol, with stronger drinks attracting a higher charge. The net result of this will be that sparkling wines and some ciders will see a decrease. There is also a lower rate for draught alcohol, aimed at supporting the hospitality industry and a relief for small producers of alcohol.

The air travel duties will be reduced for domestic flights, with a further levy announced for ultra long haul flights from April 2023.

Universal Tax Credits

The tapering of Universal Tax Credits will decrease by 8%, which will result in those on Universal Tax Credits and in employment being better off. This change is anticipated to be in place by December 2021.

Residential Property Development Levy

A new levy will apply to profits arising through the development of residential property to help fund the removal of unsafe cladding. This levy will apply to profits above £25 million.

Consultations...

The Chancellor announced several consultations, including one on online sales tax with further detail to follow in due course. Other consultations include Research & Development tax relief and the possible ability for overseas companies to relocate and re-domicile in the UK.