

Budget 21st March 2012 : News round-up

The Chancellor has finished delivering the Budget, a Budget he labelled as creating a 'stable economy, a fairer, more efficient and simpler tax system, and further reforms to support growth'

Many of the announcements had already been pre-empted, but our round-up of key announcements include:

Economic and fiscal

- The Office for Budget Responsibility (OBR) has slightly upgraded its GDP forecast for 2012 from 0.7 per cent to 0.8 per cent.
- Public sector net borrowing (PSNB) is forecast to total £126 billion or 8.3 per cent of GDP this year, £1.1 billion less than forecast in November.

For businesses

- Corporation tax will drop 1 per cent faster than expected, to 24 per cent this year, reducing to 22 per cent by 2014.
- An above the line R&D tax credit to be introduced from 2013
- Measures to simplify business taxation for SMEs to be introduced in 2013.
- New enterprise zones to receive enhanced capital allowances in Scotland and Northern Ireland.
- Corporation tax reliefs for the creative sector from 2013, including video games, TV animation programmes and high-end television programmes.
- The patent box - from 1 April 2013 companies will be able to elect to apply a 10 per cent corporation tax rate to a proportion of profits attributable to patent.
- Plans to expand UK Export Finance.
- The National Loan Guarantee Scheme has launched.

For your finances

- The highest rate tax of 50 per cent will be reduced to 45 per cent from April 2013.
- The personal income tax allowance will increase to £9,205 in April 2013.
- A higher rate stamp duty of 7 per cent will be imposed on properties worth more than £2 million.
- The threshold for the removal of Child Benefit is to be set at £50,000 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 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 will equal the Child Benefit for those earning in excess of £60,000.



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