

Budget 2012 : Announcements for businesses

Budget 2012 was designed to prove that the UK 'unashamedly backs businesses' according to Chancellor George Osborne.

The announcements made that are designed to support businesses as the economy moves towards stability include:

Business tax

- The main rate of corporation tax will be cut by two per cent from 26 per cent to 24 per cent from 1 April 2012. By 2014 the main rate of corporation tax will reduce to 22 per cent.
- From April 2013, a new cash basis for calculating tax will be introduced for small unincorporated businesses with a turnover of up to £77,000. This should reduce the time it takes small businesses to calculate their tax.
- An 'above the line' R&D tax credit will be introduced from April 2013 with a minimum rate of 9.1 per cent before tax.
- As part of an ambition to make the UK the technology hub of Europe, corporation tax reliefs will be introduced for the video games, animation and high-end television industries. This is planned to begin from April 2013 following consultation and subject to State aid approval.
- The Government will offer 100 per cent capital allowances on plant and machinery investment made in designated Enterprise Zones which include areas of the London Royal Docks, three Scottish Enterprise Zones in Irvine, Nigg and Dundee, and Deeside in North Wales.

Business finance

- The National Loan Guarantee Scheme launched yesterday, making £20 billion worth of cheaper credit available to businesses.
- The Finance Partnership and the Enterprise Finance Guarantee will be extended.
- The Government is considering launching 'enterprise loans', which would be provided to young entrepreneurs to help them set up a business.

Infrastructure

A series of measures to improve the UK's infrastructure were announced. Most are outlined in the National Infrastructure Plan. Other announcements included improving the airport capacity in South East England, and Network Rail extending the Northern Hub.

Broadband

The Government announced commitments to fund ultra fast broadband and wifi in ten of the UK's largest cities.

Belfast, Birmingham, Bradford, Bristol, Cardiff, Edinburgh, Leeds, Manchester, Newcastle and London.

