

Personal taxation and wages

- Tax-free personal allowance on income tax to rise to £11,850 in line with inflation in April 2018
- Higher-rate tax threshold to increase to £46,350
- Short-haul air passenger duty rates and long-haul economy rates to be frozen, paid for by an increase on premium-class tickets and on private jets
- National Living Wage (minimum wage for over-25s) to increase from £7.50 to £7.83 an hour from April 2018
- Minimum wage aged 21-24 to rise from £7.05 to £7.38
- Minimum wage aged 18-20 to rise from £5.60 to £5.90
- Minimum wage aged 16-17 to rise from £4.05 to £4.20
- Apprentice wages to rise from £3.50 to £3.70

Pensions

Pensions tax relief remained unchanged. The Budget also confirmed the lifetime allowance for pensions is to increase to £1.03m from next April.

Enterprise Investment Scheme

The chancellor doubled the investment limit in the Enterprise Investment Scheme (EIS) for knowledge-intensive companies, but said he would ensure that the tax-efficient schemes were not used “as a shelter for low-risk capital preservation schemes”.

Stamp duty and housing

Stamp duty to be abolished immediately for first-time buyers purchasing properties worth up to £300,000

To help those in London and other expensive areas, the first £300,000 of the cost of a £500,000 purchase by all first-time buyers will be exempt from stamp duty, with the remaining £200,000 incurring 5%.

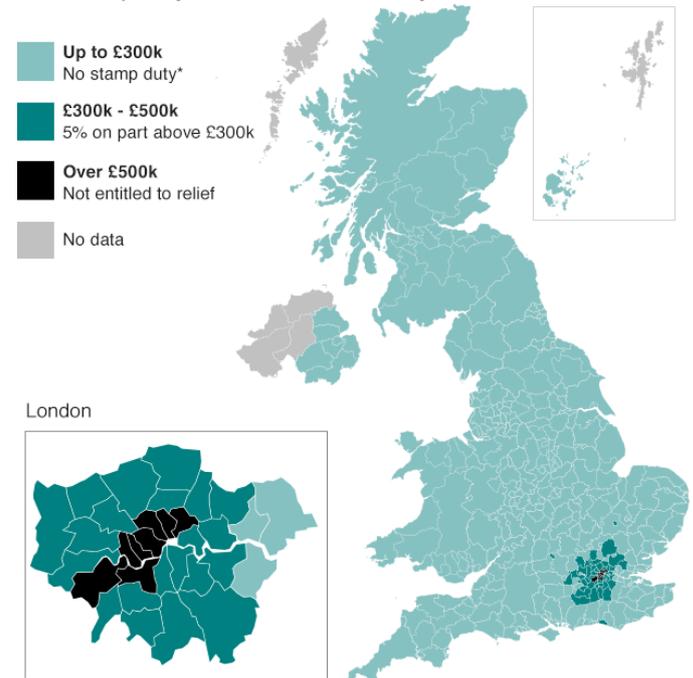
95% of all first-time buyers will benefit, with 80% not paying stamp duty

Reduction will apply immediately in England, Wales and Northern Ireland although the Welsh government will have to decide whether to continue it when stamp duty is devolved in April 2018

It will not apply in Scotland unless Scottish government decides to follow suit.

Median price of a two-bed house

New stamp duty costs for first time buyers



Higher taxes on second homes

Local authorities in Britain will be able to double council taxes on empty properties, in a move announced by UK chancellor Philip Hammond on Wednesday that will hit people with second homes.

Capital gains tax for overseas investors.

The chancellor plans to force overseas investors to pay capital gains tax in the UK on commercial property, prompting warnings that it could deter foreign buyers from investing in British developments.

VAT

- VAT threshold for small business to remain at £85,000 for two years.
- Charges on single-use plastic items to be looked at.
- Business rate rises to be eased.
- Tech giants targeted over VAT payments.

Alcohol, tobacco and fuel

- Tobacco will continue to rise by 2% above Retail Price Index (RPI) inflation, equivalent to 28p on a pack of 20, while the minimum excise duty on cigarettes introduced in March will also rise
- Duty on hand-rolling tobacco will increase by additional 1%
- Duty on beer, wine, spirits and most ciders will be frozen, equating to 1p off a pint of beer and 6p of a typical bottle of wine. But duty on high-strength "white ciders" to be increased in 2019 via new legislation.
- Fuel duty rise for petrol and diesel cars scheduled for April 2018 scrapped.
- Vehicle excise duty for cars, vans and motorcycles registered before April 2017 to rise by inflation.
- Vehicle excise duty for new diesel cars not meeting latest standards to rise by one band in April 2018.
- Tax hike will not apply to van owners.

Business rates

- Business Rates will rise by CPI from April 2018. Business rates currently rise by the Retail Price Index (RPI), a different way of measuring inflation which tends to be higher than the CPI.
- Business rates revaluations will take place every 3 years, rather than every 5 years, starting after the next revaluation, currently due in 2022.
- Pubs in England will continue to receive a £1,000 business rates discount next year. The discount applies to pubs with a rateable value of up to £100,000.
- Stopping digital multinationals who hold intellectual property in low-tax countries from avoiding tax
- The government will also look to change international corporate tax rules to ensure digital companies pay a fair amount of tax.



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