



2021 Budget

Key points: Business & Taxation

- ✓ No changes to rates of income tax, national insurance, or VAT
- ✓ Personal income tax allowance to be frozen at £12,570 from April 2022 to 2026.
- ✓ Higher rate income tax threshold to be frozen at £50,270 from 2022 to 2026
- ✓ Corporation tax on company profits to rise from 19% to 25% in April 2023
- ✓ Rate to be kept at 19% for about 1.5 million smaller companies with profits of less than £50,000
- ✓ Stamp duty holiday on house purchases in England and Northern Ireland extended to June, with no tax liability on sales of less than £500,000
- ✓ No changes to inheritance tax or lifetime pension allowance or capital gains tax allowances
- ✓ Firms will be able "deduct" investment costs from tax bills, reducing taxable profits by 130%
- ✓ Incentive grants for apprenticeships to rise to £3,000 and £126m for traineeships
- ✓ VAT rate for hospitality firms to be maintained at reduced 5% rate until September
- ✓ Interim 12.5% rate to apply for the following six months
- ✓ Business rates holiday for firms in England to continue until June with 75% discount after that
- ✓ £5bn in Restart grants for shops and other businesses forced to close

- ✓ £6,000 per premises for non-essential outlets due to re-open in April and £18,000 for gyms, personal care providers and other hospitality and leisure businesses
- ✓ New visa scheme to help start-ups and rapidly growing tech firms source talent from overseas
- ✓ Contactless payment limit will rise to £100 later this year

Coronavirus support

- ✓ Furlough to be extended until the end of September.
- ✓ Government to continue paying 80% of employees' wages for hours they cannot work.
- ✓ Employers to be asked to contribute 10% in July and 20% in August and September.
- ✓ Support for the self-employed also to be extended until September.
- ✓ 600,000 more self-employed people will be eligible for help as access to grants is widened.
- ✓ £20 uplift in Universal Credit worth £1,000 a year to be extended for another six months.
- ✓ Working Tax Credit claimants will get £500 one-off payment.
- ✓ Minimum wage to increase to £8.91 an hour from April.

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