

SPRING BUDGET 2020

The Spring Statement 2020 was dominated with headlines around Coronavirus - Covid19. Much of the changes discussed at some length in the Press in the weeks leading up to the Spring Statement did not arise.

Here are the main highlights:

IN RESPONSE TO COVID19

- A. Statutory Sick Pay may be claimed from Day 1 and will be refunded in full up to 14 days per employee for employers with less than 250 employees.
- B. Business rates are abolished for the coming year for businesses in leisure, hospitality and retail where their premises have a rateable value below £51,000.
- C. Small businesses can claim a rates cash grant up to £3,000.
- D. A Business interruption loan scheme is to be introduced with a government guarantee of up to 80%.

EMPLOYER NATIONAL INSURANCE CONTRIBUTIONS

The annual employer allowance is increased from £3,000 to £4,000.

EMPLOYEE NATIONAL INSURANCE

Employees will start paying national insurance once their annual income exceeds £9,500.

PENSION TAX RELIEF TAPER

The lower limit when the taper on tax relief for pension contributions commences is to rise to £200,000. For persons earning in excess of £300,000 the taper will reduce tax relief for pension contributions down from £10,000, the current lower limit, to £4,000.

CAPITAL GAINS TAX

The Entrepreneurs Relief lifetime limit is reduced from £10m to £1m. Entrepreneurs relief reduces the rate of capital gains tax on certain disposals down from 20% to 10%.

RESEARCH AND DEVELOPMENT

The R&D tax credit is to be increased from 12% to 13%.

PROPERTY TAX

A Stamp duty surcharge of 2% will be payable by non-UK residents for purchases of UK property.

PLASTIC PACKAGING TAX

As previously announced, there is to be a plastic packaging tax if plastic packaging includes less than 30% recycled material. The tax will be at the rate of £200 per tonne.