

m&w

MOSS & WILLIAMSON
CHARTERED ACCOUNTANTS

ESTABLISHED 1871

BUDGET 2015



Budget Report 2015

This Report, which was written immediately after the Chancellor of the Exchequer delivered his Budget Speech, is intended to provide an overview of the latest announcements and recent measures most likely to affect you or your business.

Throughout this guide we have included tips and ideas for effective tax and financial planning, but it is important to remember that this planning should be an ongoing year-round process, rather than something that is left until the last minute.

We can help you to reassess your plans regularly, and adapt them as your personal and business circumstances change. With our help, you can plan for a rewarding and financially secure future.

How to make the most of our services

Use page 15 to compile your own summary of the key points arising from this Budget and any actions you wish to consider. Keep a copy of the 2015/16 Tax Calendar on page 16 handy. It details many of the key dates and deadlines for the coming year.

Contact us as soon as possible to discuss any action you may be considering, and to review your longer term plans. We always welcome the opportunity to help.

Please note: while most taxation changes take effect from the start of the financial year, or tax year, some may not take effect until 2016, or later. Where relevant, details of these changes have been included in this Report. Throughout the Report, 'HMRC' refers to HM Revenue & Customs.

Contents

Introduction and highlights.....	2
Business tax and investment incentives.....	3
The end of the tax return.....	4
National insurance contributions (NICs).....	5
Tax and travel.....	6
Income tax and personal savings.....	8
National Minimum Wage (NMW).....	10
Capital taxes.....	11
Value Added Tax (VAT).....	11
Duties.....	12
Other measures announced.....	12
What they said.....	14
My key Budget points.....	15
2015/16 Tax Calendar.....	16



'Britain is walking tall again', proclaims Chancellor

Chancellor George Osborne delivered his 2015 'pre-election' Budget in bullish mood. Proclaiming that 'Britain is walking tall again', the Chancellor announced that the national debt target has been met and predicted the 'end of austerity' a year early.

The Office for Budget Responsibility has revised economic growth slightly upwards from 2.4% to 2.5% for 2015, while inflation has been revised down to 0.2% and borrowing levels revised downwards from the previous Autumn Statement forecast, to £90.2bn for 2014/15.

However, despite assigning significant funds from bank asset sales and lower welfare bills to 'pay down the national debt', the Chancellor announced plans for further deficit reduction.

While keen to emphasise the benefits of 'sticking to the fiscal path', the Chancellor found room for a number of measures for individuals and businesses.

Among the headline measures for individuals was the announcement of plans to scrap annual tax returns, replacing them with 'digital tax accounts'. The income tax personal allowance will also see additional increases, rising to £10,800 next year and £11,000 from April 2017, while the higher rate threshold will see an above inflation rise from £42,385 to £43,300 by 2017/18. Meanwhile, the pension lifetime allowance will fall from £1.25m to £1m from 2016/17.

The Chancellor also unveiled some key reforms for savers, confirming that five million existing pensioners will be given access to their annuities from April 2016. In addition, cash ISAs are set to be made more flexible from the Autumn. A new Personal Savings Allowance will make the first £1,000 of interest on savings tax-free (£500 for higher rate taxpayers), while first time buyers will be offered a helping hand onto the property ladder, via a new Help to Buy: ISA.

Having already confirmed the launch of a business rates review in the run-up to the Budget, the Chancellor announced that the Annual Investment Allowance will not be cut to £25,000 in January 2016, with the limit instead being reviewed at the 2015 Autumn Statement. Additional news for businesses included further measures aimed at building a Northern Powerhouse and supporting regional growth, investment in science and tax cuts for the North Sea oil and gas industry.

Other measures announced include a 1p cut in beer duty and a cancellation of September's planned fuel duty increase, a move which prompted the Chancellor to quip 'That's a tenner off the tank with the Tories'.

Budget Highlights

- **Income tax personal allowance to reach £11,000 by 2017**
- **'Radical' business rates review before 2016 Budget**
- **New Personal Savings Allowance from April 2016**
- **Digital tax accounts to replace annual tax returns**
- **New Help to Buy: ISA for first time buyers**
- **Increased flexibility for cash ISAs from Autumn 2015**
- **Rules on annuities to be relaxed from April 2016**
- **Pension lifetime allowance to fall to £1m from April 2016**

“ [Britain is] growing, creating jobs and paying its way ”

Chancellor George Osborne

2015 Economic Forecasts

UK economic growth	2.5%
Public sector net borrowing	£90.2bn
CPI inflation	0.2%
Unemployment	5.3%



Business tax and investment incentives

Corporation tax

Corporation tax rates are as follows:

Financial year to	31 March 2016	31 March 2015
Taxable profits		
First £300,000	20%	20%
Next £1,200,000	20%	21.25%
Over £1,500,000	20%	21%

Annual Investment Allowance (AIA)

The maximum amount of the AIA is currently £500,000 for all qualifying expenditure on plant and machinery made from 1 April 2014 for corporation tax and 6 April 2014 for income tax. After 31 December 2015 the limit was set to be reduced to £25,000 but is now subject to further review. Transitional rules will apply.

Research and development (R&D)

The rate of the above the line credit will increase from 10% to 11% and the rate of the small and medium (SME) scheme will increase from 225% to 230%. These will take effect from 1 April 2015.

Legislation will be introduced to restrict qualifying expenditure for R&D tax credits so that the costs of materials incorporated in products that are sold are not eligible. This will be effective from 1 April 2015.

Venture capital schemes

The Government will, subject to state aid approval, make amendments to the Seed Enterprise Investment Scheme (SEIS), Enterprise Investment Scheme (EIS) and Venture Capital Trusts (VCTs) so that:

- companies will need to be less than 12 years old when receiving their first EIS or VCT investment, except where the investment will lead to a substantial change in the company's activity
- total investment received under the tax advantaged venture capital schemes is capped at £15m, increasing to £20m for knowledge-intensive companies
- the employee limit for knowledge-intensive companies is increased from 249 to 499 employees
- all investments are made with the intention to grow and develop a business
- all investors are 'independent' from the company at the time of the first share issue.

In addition, with effect from 6 April 2015 there will no longer be a requirement for 70% of the funds raised under SEIS to have been spent before EIS or VCT funding can be raised.

Film tax relief

The rate of film tax relief will increase to 25% for all qualifying core expenditure, for all eligible film productions. The distinction between limited budget films and all others will be removed. These changes will have effect on and after 1 April 2015 or the date of state aid approval, whichever is the later date.



High-end television tax relief & animation tax relief

Subject to state aid clearance, the minimum UK expenditure requirement will be reduced from 25% to 10% for qualifying expenditure incurred on and after 1 April 2015.

Loss refresh prevention

Legislation will be introduced to prevent companies from obtaining a tax advantage by entering contrived arrangements to convert brought forward reliefs into more versatile in-year deductions. This will cover carried forward corporation tax trading losses, non-trading loan relationship deficits, and excess management expenses. The measure will have effect for accounting periods beginning on or after 18 March 2015 and will also apply to arrangements entered into before commencement where these give rise to profits after commencement.

Farmers averaging

The period over which self-employed farmers can average their profits for income tax purposes is to be extended from two years to five. This measure will come into effect from 6 April 2016 following a consultation on the detailed design and implementation of the extension.

The end of the tax return

It was announced that by the end of the next Parliament, every individual and small business will be able to see and manage their tax affairs through a digital account, removing the need for annual tax returns.

Under the plans, by early 2016 all of the UK's five million small businesses and the first ten million individuals will have access to their own digital tax account. It is intended to be simple, personalised and secure, offering an increasing range of integrated services. The accounts should bring together in one place all the information that taxpayers need to understand their tax position. They will be able to register, file, pay and update their information, at any time of the year, using the digital device of their choice.

Taxpayers will get a real-time view of their tax affairs and see how their tax is calculated. They will also be able to check how much tax they owe or need to be repaid and see their options for paying securely. Digital accounts aim to give small businesses greater certainty and control over their tax position. Those which pay more than one tax (such as corporation tax, VAT and PAYE) will be able to take a single view of their total liabilities across all taxes.

HMRC will automatically use the information it holds, along with new data from third parties, to populate the digital accounts. Those who pay their tax through PAYE will have their income tax, national insurance contributions (NICs) and pension position shown in their digital accounts, including any interest from banks and building societies. Taxpayers will then be able to log-in to check and confirm that their details are complete and correct.

By 2020, businesses will be able to manage their taxes together as part of their day-to-day running, rather than something to be done separately. Their accounting software will be able to feed data straight into their digital tax account, so that some businesses will simply log-in to check their details and not need to send an annual return.

The digital account will show PAYE taxpayers how much tax they will pay via their employer. Those with complex tax affairs will be able to tell HMRC about additional income online and have it reflected in their digital tax account. Individuals and small businesses will have the option to 'pay as you go'. In addition, instead of making a number of payments across different taxes, they will be able to make just one. Taxpayers will be able to let agents manage their digital account on their behalf.

Over time, it is intended that the digital accounts will offer access to a range of other Government services. To begin with, individuals will be able to see how their NICs affect their state pension. Later in 2015, the Government will publish a road map and consult on how it will deliver the changes needed. Separate consultations will cover a new payment process to support digital accounts and reform of NICs for the self-employed.



National insurance contributions (NICs)

2015/16	Employee (primary)	Employer (secondary)
Class 1 – (not contracted out)		
Payable on weekly earnings of:		
Below £112 (lower earnings limit)	Nil	–
£112 - £155 (primary threshold)	*0%	–
Up to £156 (secondary threshold)	–	Nil
Above £156	–	13.8%
£155.01 - £815 (upper earnings limit)	**12%	–
£156.01 - £815 (upper secondary threshold - under 21s)	12%	0%
Above £815	**2%	–

*No NICs are actually payable but notional Class 1 NIC is deemed to have been paid; this protects contributory benefit entitlement.

**Over state pension age, the employee contribution is generally nil.

Employment Allowance		up to £2,000 (per year)
Class 1A	On relevant benefits	13.8%
Class 2	Self employed	£2.80 per week
	Small profits threshold	£5,965 per annum
Class 3	Voluntary	£14.10 per week
Class 4	Self employed on annual profits	
	£8,060 - £42,385	*9%
	Excess over £42,385	*2%

*Exemption applies if state pension age was reached by 6 April 2015.

Changes to employer NICs

From 6 April 2015 employers will no longer be required to pay Class 1 secondary NICs on earnings paid up to the upper secondary threshold to any employee under the age of 21. This will apply to both existing employees and new staff taken on by employers. No individual's state pension entitlement will be affected by the measure.

From April 2015 the £2,000 annual Employment Allowance for employer NICs will be extended to care and support workers.

From April 2016 employer NICs up to the upper secondary threshold for apprentices aged under 25 will be abolished.

Abolition of Class 2 NICs

The Government announced its intention to abolish Class 2 NICs in the next Parliament and reform Class 4 NICs to introduce a new benefit test. The Government will consult on the detail and timing of these reforms later in 2015.

Peak rate: the highest rate of income tax was applied during the Second World War, peaking at an impressive 99.25%!



Tax and travel

Car and fuel benefits

The taxable petrol and diesel car benefit is based on the car's CO₂ emissions. It is calculated using the car's UK list price and applying the 'appropriate percentage' as shown in the table on the right. The car fuel benefit is calculated by applying the same percentages to the fuel benefit charge multiplier, which for 2015/16 is £22,100.

From April 2015, the five year exemption for zero carbon and the lower rate for ultra-low carbon emission cars will come to an end. Two new bands will be introduced for ultra-low emission vehicles (ULEVs). These will be set at 0-50 g/km and 51-75 g/km.

The appropriate percentages for the remaining bands will increase by 2% for cars emitting more than 75 g/km, to a new maximum of 37%.

Future changes

From April 2016, all the appropriate percentages will be increased by 2% up to the maximum of 37%. In addition, new European standards which come into force in September 2015 require diesel cars to have the same air quality emissions as petrol cars. The 3% diesel supplement will therefore be removed in April 2016, so that diesel cars will then be subject to the same level of tax as petrol cars.

The appropriate percentage will increase by 2% for cars emitting more than 75 g/km to a maximum of 37% in each of years 2017/18 and 2018/19.

VAT on fuel for private use in cars

Where businesses wish to reclaim the input VAT on fuel which has some degree of private use, they must account for output VAT for which they may use the flat rate valuation charge. The table above shows the VAT chargeable for quarters commencing on or after 1 May 2014. **These rates were current at the date of publication. Please check with us for any updated rates from 1 May 2015.**

Company vans

The taxable benefit for the unrestricted private use of vans is £3,150. There is a further £594 taxable benefit if the employer provides fuel for private travel.

CO ₂ emissions (g/km)	Appropriate percentage		Quarterly VAT	
	Petrol %	Diesel %	Flat Rate Valuation £	VAT on charge £
0 - 50	5	8	156.00	26.00
51 - 75	9	12	156.00	26.00
76 - 94	13	16	156.00	26.00
95 - 99	14	17	156.00	26.00
100 - 104	15	18	156.00	26.00
105 - 109	16	19	156.00	26.00
110 - 114	17	20	156.00	26.00
115 - 119	18	21	156.00	26.00
120 - 124	19	22	156.00	26.00
125 - 129	20	23	234.00	39.00
130 - 134	21	24	251.00	41.83
135 - 139	22	25	266.00	44.33
140 - 144	23	26	282.00	47.00
145 - 149	24	27	297.00	49.50
150 - 154	25	28	313.00	52.17
155 - 159	26	29	328.00	54.67
160 - 164	27	30	345.00	57.50
165 - 169	28	31	360.00	60.00
170 - 174	29	32	376.00	62.67
175 - 179	30	33	391.00	65.17
180 - 184	31	34	408.00	68.00
185 - 189	32	35	423.00	70.50
190 - 194	33	36	439.00	73.17
195 - 199	34	37	454.00	75.67
200 - 204	35		470.00	78.33
205 - 209	36		485.00	80.83
210 - 214	37		502.00	83.67
215 - 219			517.00	86.17
220 - 224			533.00	88.83
225 or more			548.00	91.33

Van and fuel charge	Van £	Fuel £	Total £
Tax (20% taxpayer)	630	118.80	748.80
Tax (40% taxpayer)	1,260	237.60	1,497.60
Tax (45% taxpayer)	1,417.50	267.30	1,684.80
Employer's Class 1A NICs	434.70	81.97	516.67



Zero emission vans

As previously announced, the van benefit for zero emission vans is to be increased on a tapered basis so that there will be a single van benefit charge applying to all vans by April 2020. For 2015/16 the charge will be 20% of the value of the standard van benefit charge (i.e. £630). There is no fuel benefit for such vans.

Mileage rates

Changes to the HMRC business mileage rates are announced from time to time. The rates from 1 March 2015 are as follows:

Vehicle	First 10,000 miles	Thereafter	Car – fuel only advisory rates			
			Engine capacity	Petrol	Diesel	LPG
Car/van	45p	25p	1400cc or less	11p	9p	8p
Motorcycle	24p	24p	1401cc to 1600cc	13p	9p	10p
Bicycle	20p	20p	1601cc to 2000cc	13p	11p	10p
			Over 2000cc	20p	14p	14p

The fuel only advisory rates relate to company cars only. They can be applied as a tax-free maximum rate for employees claiming for petrol used on business journeys and for employees reimbursing their employers with the cost of petrol used for private journeys. HMRC will consider claims for a higher maximum rate, if it can be demonstrated that it is necessary for an employee to use a car with higher than average fuel costs.

Car costs – Vehicle Excise Duty (VED) rates

VED ('Car Tax') rates also reflect emissions, with lower scale rates for cars using alternative fuels. The following table shows the rates which apply from 1 April 2015 for cars registered on or after 1 March 2001:

VED Band	CO ₂ Emissions (g/km)	First Year Rate £	Standard Rate	
			Petrol & Diesel £	Alternative Fuels £
A	Up to 100	0	0	0
B	101 - 110	0	20	10
C	111 - 120	0	30	20
D	121 - 130	0	110	100
E	131 - 140	130	130	120
F	141 - 150	145	145	135
G	151 - 165	180	180	170
H	166 - 175	295	205	195
I	176 - 185	350	225	215
J	186 - 200	490	265	255
K*	201 - 225	640	290	280
L	226 - 255	870	490	480
M	Over 255	1,100	505	495

*includes cars emitting over 225g/km that were registered before 23 March 2006.

Plug-in Grants

Motorists (private or business) purchasing new qualifying ultra-low emission cars can receive a grant of 25% towards the cost of the vehicle, up to a maximum of £5,000. The scheme also covers new qualifying ultra-low emission vans, where the available grant will be 20% towards the cost of the vehicle, up to a maximum of £8,000. Vehicles with CO₂ emissions of 75 g/km or less, including electric, plug-in hybrid and hydrogen-fuelled cars, are all potentially eligible for the subsidy. There are strict criteria to be met before specific vehicles can be confirmed as eligible under the rules of the scheme.



Income tax and personal savings

Income tax

	2015/16	2014/15
Basic rate band – income up to	£31,785	£31,865
Starting rate for savings income	*0%	*10%
Basic rate	20%	20%
Dividend ordinary rate	10%	10%
Higher rate – income over	£31,785	£31,865
Higher rate	40%	40%
Dividend upper rate	32.5%	32.5%
Additional rate – income over	£150,000	£150,000
Additional rate	45%	45%
Dividend additional rate	37.5%	37.5%
Starting rate limit (savings income)	*£5,000	*£2,880

**If an individual's taxable non-savings income exceeds the starting rate limit, then the starting rate limit for savings will not be available for savings income.*

Personal allowances (PA)

	2015/16	2014/15
Born after 5 April 1948	£10,600	£10,000
Born between 6 April 1938 and 5 April 1948	*£10,600	*£10,500
Born before 6 April 1938	*£10,660	*£10,660

Married couple's allowance (MCA)

Either partner born before 6 April 1935 (relief restricted to 10%)	*£8,355	*£8,165
---	---------	---------

Transferable Tax Allowance

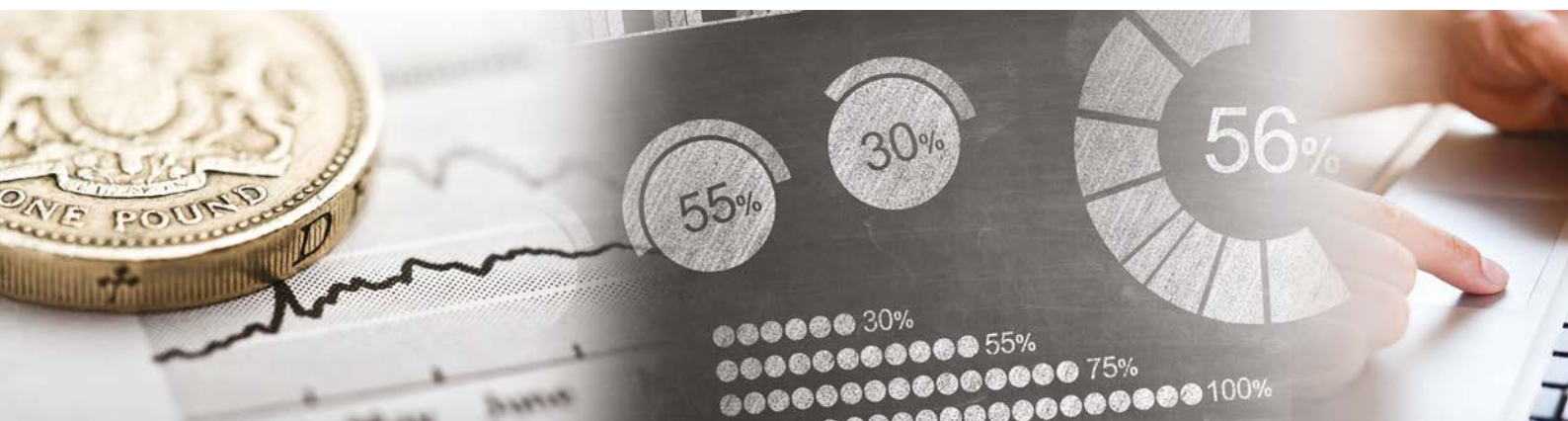
For certain married couples and civil partners born after 5 April 1935 (relief restricted to 20%)	£1,060	–
---	--------	---

**Allowances for those born before 6 April 1948 are reduced by £1 for every £2 that adjusted net income exceeds £27,700 (£27,000) to a minimum PA of £10,600 (£10,000) and to a minimum MCA of £3,220 (£3,140).*

Where adjusted net income exceeds £100,000, PA is reduced in the same way until it is nil regardless of the individual's date of birth.

The higher personal allowance for those born before 6 April 1938 will be removed with effect from 2016/17, so that everyone regardless of their age is entitled to the same personal allowance.

Budget Day has historically been held during Spring because the collection of the Land Tax took place in April, and much of the country's wealth derived from agriculture.



Tax shelters

Venture Capital Trust up to	£200,000	£200,000
Enterprise Investment Scheme up to	£1,000,000	£1,000,000
Seed Enterprise Investment Scheme up to	£100,000	£100,000
Social Investment Tax Relief up to	£1,000,000	£1,000,000

Individual Savings Accounts (ISAs) and Child Trust Funds (CTFs)

2015/16 limits:

Overall investment limit	£15,240
Junior ISA and CTF limit	£4,080

Regulations will be introduced in Autumn 2015, following consultation on technical detail, to enable ISA savers to withdraw and replace money from their cash ISA without it counting towards their annual ISA subscription limit for that year.

From April 2015, existing Child Trust Funds can be transferred to Junior ISAs.

Regulations will be introduced to extend the list of qualifying investments for ISAs and Child Trust Funds to include listed bonds issued by Co-operative Societies and Community Benefit Societies and SME securities that are admitted to trading on a recognised stock exchange, with effect from 1 July 2015. The Government will also consult during Summer 2015 on further extending this list of qualifying investments.

Help to Buy: ISA

The Help to Buy: ISA will be available through banks and building societies and is designed for people saving for their first home. It has the following features:

- a monthly maximum saving limit of £200 with an opportunity to deposit an additional £1,000 when the account is first opened
- the Government will provide a tax-free contribution equal to 25% of the total amount saved in a Help to Buy: ISA (so for every £200 saved, the Government will contribute a bonus of £50)
- the maximum bonus is capped at £3,000 and there will be a minimum bonus amount of £400
- the bonus will apply to both the amount a person saves into their Help to Buy: ISA and the interest that is built up during the period it is open
- there is no limit on how long the account can remain open.

For basic rate taxpayers, this will be equivalent to saving free of tax for their first home.

Accounts will be limited to one per person rather than one per home so those buying together can both receive a bonus.

The scheme is available for those saving to buy a first home in the UK worth up to £450,000 in London or £250,000 elsewhere in the UK.

Personal Savings Allowance

With effect from April 2016, a tax-free Personal Savings Allowance is to be introduced for interest income. This will apply for up to £1,000 of a basic rate taxpayer's savings income and up to £500 of a higher rate taxpayer's savings income each year. It will not be available for additional rate taxpayers, but will be in addition to the tax advantages currently available to savers from ISAs.

From April 2016 banks and building societies will no longer automatically take 20% in income tax from the interest earned on individuals' non-ISA savings.



Annuities

Changes will be made with effect from April 2016 to allow people who are already receiving income from an annuity to sell that income to a third party as and when they choose. There will be a consultation on how best to remove the barriers to the creation of a secondary market in annuities.

Pension lifetime allowance

The Government announced its intention to reduce the pension lifetime allowance to £1m with effect from 6 April 2016. Fixed and individual protection regimes will be introduced alongside the reduction in the lifetime allowance to protect savers who think they may be affected by this change. Provisions to increase the allowance in line with CPI from 2018 will be included.

Postgraduate research loans

Loans up to £25,000 will be available for postgraduate PhD and masters research students.

Trivial benefits in kind

With effect from 2015/16 legislation will be introduced to provide a statutory exemption from tax for qualifying trivial benefits in kind costing £50 or less. This will be subject to an annual cap of £300 for office holders of close companies and employees who are family members of those office holders. Corresponding legislation will also be introduced for NICs purposes.

Employment intermediaries

The Government will consult on detailed proposals to restrict tax relief for travel and subsistence, for workers engaged through an employment intermediary, such as an umbrella company or a personal service company, and under the supervision, direction and control of the end-user. Any legislative changes would take effect from 6 April 2016.

National Minimum Wage (NMW)

The NMW rates are as follows:

Age	21 and over	18-20	16 and 17	Apprentices*
From 1 October 2014	£6.50	£5.13	£3.79	£2.73
From 1 October 2015	£6.70	£5.30	£3.87	£3.30

*Rate applies to apprentices under 19, or those 19 and over in the first year of apprenticeship.

Action point

Are you making the most of your capital gains tax exemption limit each year?

It may be possible to transfer assets to a spouse or civil partner or hold them in joint names prior to any sale to make full use of exemptions.

Please speak to us before taking action.



People power: The Budget introduced in April 1909 by David Lloyd George was known as the 'People's Budget' because it proposed to raise money for a new state pension (and rearmament) by increasing the tax burden on the landed classes.



Capital taxes

Entrepreneurs' relief and associated disposals

Legislation will be introduced in the 2015 Finance Bill to prevent claims to entrepreneurs' relief in respect of gains on disposals of privately-held assets used in a business unless they are associated with a significant material disposal (i.e. a disposal of at least a 5% shareholding in the company or of at least a 5% share in the assets of the partnership carrying on the business). These changes have effect for disposals on or after 18 March 2015.

Entrepreneurs' relief, joint ventures and partnerships

It was announced that legislation will be introduced to prevent claims to entrepreneurs' relief in respect of gains on shares in certain companies which invest in joint venture companies, or which are members of partnerships. The new rule will deny relief where the investing company has no trade (or no relevant trade) of its own. These changes have effect for disposals on or after 18 March 2015.

Entrepreneurs' relief on goodwill

As announced in the Autumn Statement 2014, legislation will be introduced to prevent claims to entrepreneurs' relief in respect of gains on business goodwill, where the goodwill has been disposed of to a limited company which is related to the claimant. Following consultation, the legislation has been revised to allow entrepreneurs' relief to be claimed by partners in a firm who do not hold or acquire any stake in the successor company. These changes affect transactions on or after 3 December 2014.

Entrepreneurs' relief and academics

There is to be a consultation on the capital gains tax (CGT) treatment of gains made by academics on disposals of shares in 'spin-out' companies. Any necessary legislation will be introduced in a future Finance Bill.

Value Added Tax (VAT)

From	1 April 2015
Standard rate	20%
VAT fraction	1/6
Reduced rate	5%
Current Turnover Limits	
Registration – last 12 months or next 30 days over	£82,000 from 1 April 2015
Deregistration – next 12 months under	£80,000 from 1 April 2015
Annual and Cash Accounting Schemes	£1,350,000
Flat Rate Scheme	£150,000

Pulp fact: Income tax was repealed a year after the Battle of Waterloo, and Parliament decided that all documents connected with it should be collected, cut into pieces and pulped.



Duties

Alcohol duty

The duty rates on beer will decrease, reducing the price of a typical pint of beer by 1p.

Other reductions in the duty rate will have the effect of reducing the price of a typical bottle of spirits by 18p and a typical litre of cider by 1p.

These changes will take effect from 23 March 2015.

Tobacco duty

The duty on all tobacco products is increased by 2% above the rate of inflation (based on the RPI). This change took effect from 6pm on 18 March 2015.

Fuel duty

The fuel duty increase by RPI planned for 1 September 2015, due to be 0.54p per litre, will be cancelled.

Air Passenger Duty (APD)

Legislation will be introduced in Finance Bill 2016 to increase APD rates in line with RPI from 1 April 2016.

As announced in the Autumn Statement 2014, the Government will introduce an exemption from reduced rates of APD from 1 May 2015 for children under 12 and from 1 March 2016 for children under 16.

Other measures announced

Business rates review

As announced at Autumn Statement 2014, the Government will conduct a review of business rates to report by Budget 2016.

The Government will also consult on whether to introduce a business rates relief for local newspapers in England.

Broadband and mobile networks

The Government is investing up to £600m to improve mobile networks, and also announced 'a new ambition that ultrafast broadband of at least 100 megabits per second should become available to nearly all UK premises'.

UK automatic exchange of information agreements

HM Treasury is introducing regulations creating due diligence and reporting obligations for UK financial institutions. This is designed to increase the deterrent effect for those who attempt to evade UK tax by holding financial assets outside the UK.

Gift Aid Small Donations Scheme

Measures will be introduced to increase the maximum annual donation amount which can be claimed through the scheme to £8,000, allowing charities and Community Amateur Sports Clubs to claim Gift Aid style top-up payments of up to £2,000 a year with effect from 6 April 2016.



Oil and gas

In an attempt to encourage further investment in the North Sea, the Government will introduce a new Investment Allowance and reduce the supplementary tax charge on oil and gas companies further, from 30% to 20%, to apply retrospectively from 1 January 2015.

The rate of Petroleum Revenue Tax paid on older oil and gas fields will also be reduced from 50% to 35%.

Bank levy

Legislation will be introduced in Finance Bill 2015 to increase the rate of the bank levy to 0.21% from 1 April 2015. A proportionate increase to 0.105% will be made to the half rate, also with effect from 1 April 2015.

Science and innovation

The Government will invest £40m to develop 'Internet of Things' technologies, with the funding focusing on healthcare, social care and smart cities.

There will also be a £100m investment into the Research and Development of Intelligent Mobility, including the development of driverless car technology.

Universal infant free school meals

The Government will provide £10m to support the provision of universal infant free school meals in small schools and a further £10m capital funding to help schools improve kitchen facilities.

Premium Bonds

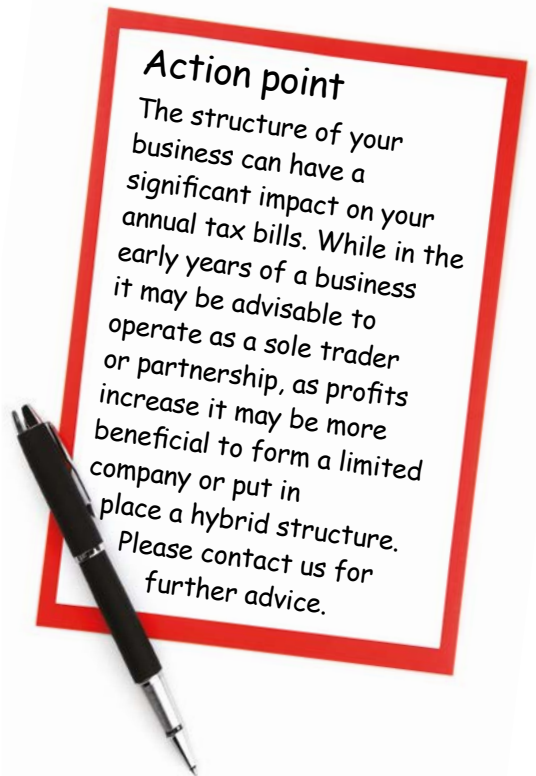
The planned increase to the NS&I Premium Bond investment limit to £50,000 will take place on 1 June 2015.

Regional investment and devolution of powers

The Government will pilot schemes in Cambridgeshire and Peterborough, and, subject to formal approval of Greater Manchester Combined Authority, in Greater Manchester and East Cheshire from 1 April 2015 to retain 100% of any additional growth in business rates above expected forecasts.

A new 'devolution deal' has been agreed, giving the West Yorkshire Combined Authority more responsibility over skills, transport, employment, housing and business support.

Enterprise Zones will be expanded at Mersey Waters, MIRA, Humber, Manchester, Tees Valley (Prairie) and Oxford Science Vale, and the designation of two sites at Leeds Enterprise Zone will be changed to include Enhanced Capital Allowances. The Government will also extend the Enterprise Zone at Discovery Park and create new Enterprise Zones at Blackpool and Plymouth, subject to business cases.



A Budget for savers? Harold Macmillan introduced Premium Bonds in a 'savers' budget in 1956. The bonds were condemned by the Shadow Chancellor, Harold Wilson, as a 'squalid raffle', but they still continue to this day.



Annual Tax on Enveloped Dwellings (ATED)

As announced at Autumn Statement 2014, the annual charges of the ATED will be increased by 50% above inflation for residential properties worth more than £2m for the chargeable period 1 April 2015 to 31 March 2016.

CGT: ATED

As announced at Budget 2014, the Government will extend the related CGT charge on disposals of properties liable to ATED with effect from 6 April 2015 to residential properties worth over £1m and up to £2m, and with effect from 6 April 2016 to residential properties worth over £500,000 and up to £1m.

“What they said...”

Our goal is for Britain to become the most prosperous major economy in the world, with that prosperity widely shared. So we choose economic security.

Chancellor George Osborne

It's a recovery for the few, from a Government of the few... This is the reality behind the Budget that can't be believed.

Ed Miliband, Labour leader

Stability and consistency are what businesses need to grow and prosper. This Budget sets the tone, providing a clear plan for fiscal health and growth.

John Cridland, Confederation of British Industry

He did not spell out where, if re-elected, he will make the huge spending cuts he plans for the next Parliament, nor did he tell Britain's low paid workers which of their benefits he will cut.

Frances O'Grady, TUC

The review into business rates is long overdue. When complete, it must deliver tangible benefits to businesses and not end up as just another report that sits on the shelf.

John Allan, Federation of Small Businesses

This was a solid and responsible Budget. Few chancellors would be able to resist the temptation to binge on a £22bn windfall from the sale of bank shares this close to an election.

Simon Walker, Institute of Directors



2015/16 Tax Calendar

April 2015

M	Tu	W	Th	F	Sa	Su
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

May 2015

M	Tu	W	Th	F	Sa	Su
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

June 2015

M	Tu	W	Th	F	Sa	Su
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

April 2015

- 5 Last day of 2014/15 tax year.
Deadline for 2014/15 ISA investments.
Last day to make disposals using the 2014/15 CGT exemption.
- 14 Due date for income tax for the CT61 period to 31 March 2015.
- 17/22 Quarter 4 2014/15 PAYE remittance due.
- 20 Interest will begin to accrue on unpaid PAYE/NI for 2014/15.
- 30 Normal annual adjustment for VAT partial exemption calculations (monthly returns).

May 2015

- 1 Start of daily penalties for 2014 online Tax Return not yet filed. Additional penalties may apply for further delay.
- 3 Submission date of P46 (Car) for quarter to 5 April.
- 31 Last day to issue 2014/15 P60s to employees.

June 2015

- 30 End of CT61 quarterly period.
Annual adjustment for VAT partial exemption calculations (March VAT year end).

July 2015

- 6 Deadline for submission of Form 42 (transactions in shares and securities).
Deadline for submission of EMI40 (EMI Annual Return).
File Taxed Award Scheme Returns, file P11Ds, P11D(b)s and P9Ds.
Issue copies of P11Ds or P9Ds to employees.

July 2015

M	Tu	W	Th	F	Sa	Su
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

August 2015

M	Tu	W	Th	F	Sa	Su
31					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

September 2015

M	Tu	W	Th	F	Sa	Su
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

- Deadline for entering into a PAYE Settlement Agreement for 2014/15.
- 14 Due date for income tax for the CT61 period to 30 June 2015.
- 17/22 Quarter 1 2015/16 PAYE remittance due.
Final date for payment of 2014/15 Class 1A NICs.
- 31 Second payment due date for 2014/15 Class 2 NICs.
Second self assessment payment on account for 2014/15.
Annual adjustment for VAT partial exemption calculations (April VAT year end).
Liability to 5% penalty on any tax unpaid for 2013/14.
Deadline for tax credit Annual Declaration (if estimated, final figures required by 31/01/16).

August 2015

- 2 Submission date of P46 (Car) for quarter to 5 July.
- 31 Annual adjustment for VAT partial exemption calculations (May VAT year end).

September 2015

- 30 End of CT61 quarterly period.
Last day for UK businesses to reclaim EC VAT chargeable in 2014.

October 2015

- 1 Due date for payment of Corporation Tax for period ended 31 December 2014.
- 5 Individuals/trustees must notify HMRC of new sources of income/chargeability in 2014/15 if a Tax Return has not been received.

October 2015

M	Tu	W	Th	F	Sa	Su
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

November 2015

M	Tu	W	Th	F	Sa	Su
30						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

December 2015

M	Tu	W	Th	F	Sa	Su
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

- 14 Due date for income tax for the CT61 quarter to 30 September 2015.
- 19/22 Quarter 2 2015/16 PAYE remittance due.
- 31 Last day to file 2015 paper Tax Return without incurring penalties.

November 2015

- 1 £100 penalty if 2015 paper Tax Return not yet filed. Additional penalties may apply for further delay (no penalties if online return filed by 31 January 2016).
- 2 Submission date of P46 (Car) for quarter to 5 October.

December 2015

- 30 Last day for online submission of 2015 Tax Return where outstanding tax (subject to cap) to be included in the 2016/17 PAYE code.
- 31 Last day for non-EU traders to reclaim recoverable UK VAT suffered in the year to 30 June 2015.
End of relevant year for taxable distance supplies to UK for VAT registration purposes.
End of relevant year for cross-border acquisitions of taxable goods in the UK for VAT registration purposes.
End of CT61 quarterly period.
Filing date for Company Tax Return Form CT600 for period ended 31 December 2014.

January 2016

- 1 Due date for payment of Corporation Tax for period ended 31 March 2015.
- 14 Due date for income tax for the CT61 quarter to 31 December 2015.

January 2016

M	Tu	W	Th	F	Sa	Su
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

February 2016

M	Tu	W	Th	F	Sa	Su
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29						

March 2016

M	Tu	W	Th	F	Sa	Su
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

- 19/22 Quarter 3 2015/16 PAYE remittance due.
- 31 First self assessment payment on account for 2015/16.
Capital gains tax payment for 2014/15.
Balancing payment – 2014/15 income tax/Class 4 NICs.
Last day to renew 2015/16 tax credits.
First payment due date for 2015/16 Class 2 NICs.
Last day to pay any balance of 2013/14 tax and Class 4 NICs to avoid an automatic 5% late payment penalty.
Deadline for amending 2014 Tax Return.
Last day to file the 2015 Tax Return online without incurring penalties.

February 2016

- 1 £100 penalty if 2015 Tax Return not yet filed online. Additional penalties may apply for further delay. Interest starts to accrue on 2014/15 tax not yet paid.
- 2 Submission date of P46 (Car) for quarter to 5 January.
- 14 Last date (for practical purposes) to request NIC deferral for 2015/16.

March 2016

- 2 Last day to pay any balance of 2014/15 tax and Class 4 NICs to avoid an automatic 5% late payment penalty.
- 31 End of Corporation Tax financial year.
End of CT61 quarterly period.
Filing date for Company Tax Return Form CT600 for period ended 31 March 2015.



Offices at

Booth Street Chambers
Ashton-under-Lyne
Lancashire OL6 7LQ
Tel: 0161 330 2231
Fax: 0161 343 1896

11 Stamford Street
Stalybridge
Cheshire SK15 1JP
Tel: 0161 338 5294
Fax: 0161 303 7568

3 Mellor Road
Cheadle Hulme, Cheadle
Cheshire SK8 5AT
Tel: 0161 488 4112/4458
Fax: 0161 488 4064

Email: enquiries@mossandwilliamson.co.uk

Web: www.mossandwilliamson.co.uk

