THE BUDGET 2013

BUDGET 2013

Chancellor George Osborne

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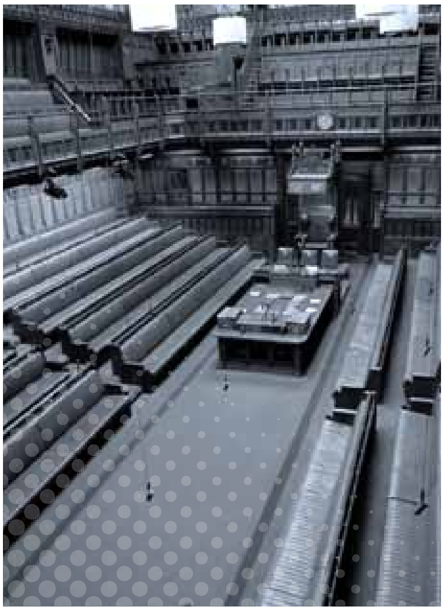

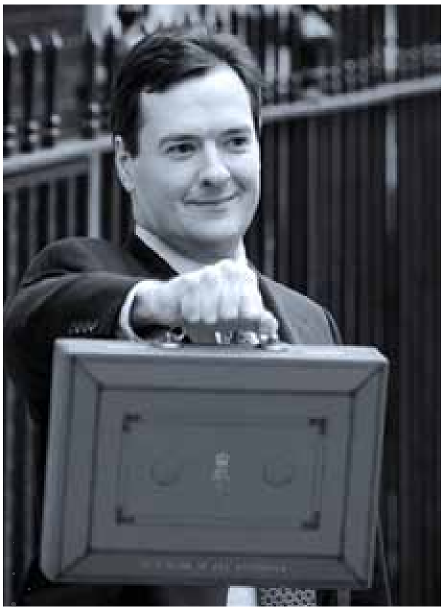

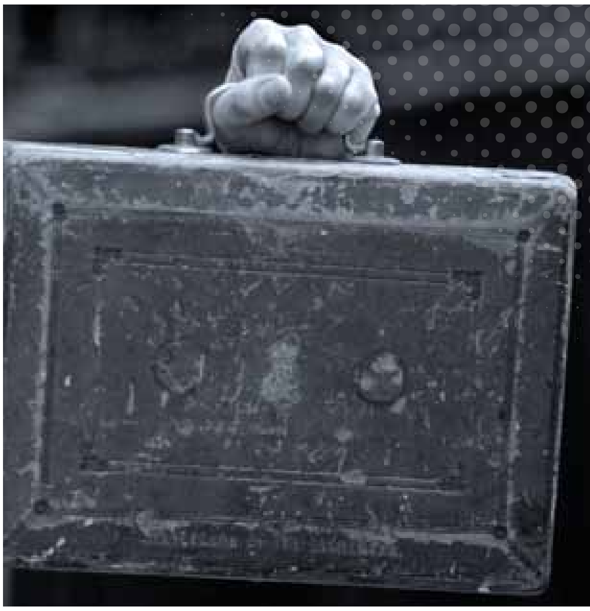

BUDGET 2013

WHAT THE CHANCELLOR HAD TO SAY

Chancellor George Osborne delivered the fourth coalition Budget to Parliament on Wednesday 20 March 2013. He has cut his official growth forecast in half, but insisted the UK would avoid a "triple dip" recession. Growth he said in 2013 would be 0.6 per cent - half the 1.2 per cent he predicted four months ago in his Autumn statement.

He used Budget 2013 to announce a cut in the corporation tax rate by 1 per cent to 20 per cent, and cancelled this autumn's planned fuel duty rise. He also ended above inflation alcohol duty rises and cut the price of a pint of beer by 1p.

Mr Osborne said his Budget was for "those who want to work and get on". He said it was taking longer than expected but "we are, slowly but surely, fixing our country's economic problems".

His revised forecast is for the UK's national debt to rise to 85 per cent of GDP and not start coming down until 2017/18 - a year later than previously predicted.

But the Chancellor predicted the deficit would continue to come down thanks to the "many tough decisions" taken by the Government. He said the deficit had fallen from 11.2 per cent of GDP in 2009/10, to a forecast of 7.4 per cent this year - a fall of a third.

He announced that the Bank of England Monetary Policy Committee had also been given an updated broader remit, but keeps its 2 per cent inflation target.

The Chancellor extended the 1 per cent public sector pay cap by one year to 2015/16.

He unveiled a raft of measures aimed at boosting new businesses, including tax credits for research, and new measures to clamp down on tax avoidance. And he announced plans to extend shared-equity schemes to help people get on the housing ladder and plans to encourage more "affordable" homes to be built.

The Chancellor announced £2.5bn of spending on infrastructure paid for by further cuts on public spending. Details of where these cuts will occur come in June when the Government unveils its spending review.

> **THE CHANCELLOR ANNOUNCED £2.5BN OF SPENDING ON INFRASTRUCTURE PAID FOR BY FURTHER CUTS ON PUBLIC SPENDING. DETAILS OF WHERE THESE CUTS WILL OCCUR COME IN JUNE WHEN THE GOVERNMENT UNVEILS ITS SPENDING REVIEW.**

WHAT DOES BUDGET 2013 MEAN FOR YOU?

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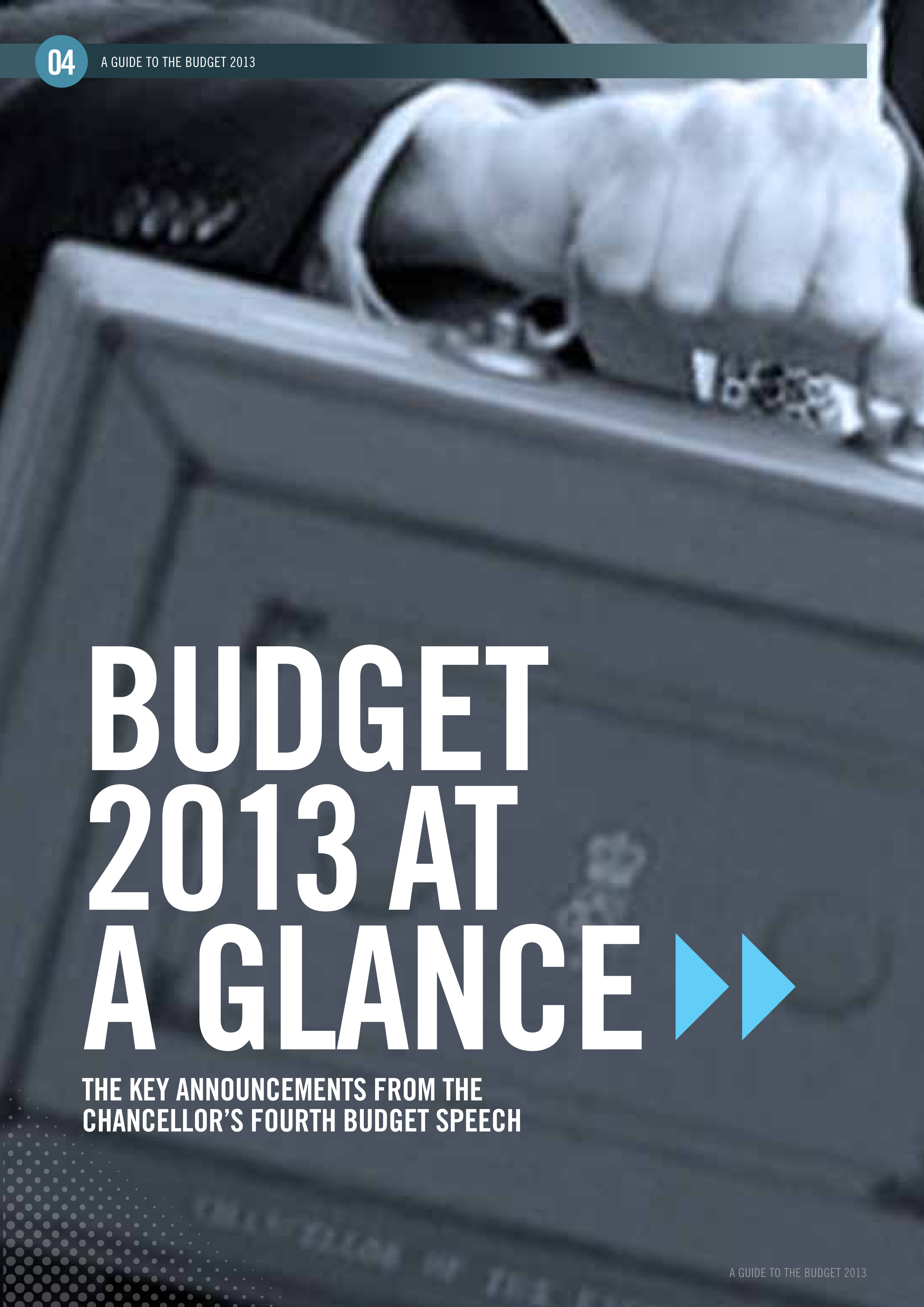

BUDGET 2013 AT A GLANCE

THE KEY ANNOUNCEMENTS FROM THE CHANCELLOR'S FOURTH BUDGET SPEECH

ECONOMY

- Growth forecast for 2013 halved to 0.6% - down from the 1.2 per cent forecast
- Office for Budget Responsibility watchdog predicts UK will escape recession this year
- Growth predicted to be 1.8 per cent in 2014; 2.3 per cent in 2015; 2.7 per cent in 2016 and 2.8 per cent in 2017

INFLATION

- 2 per cent Bank of England inflation target to stay in place
- Bank remit to be changed to focus on growth as well as inflation

BORROWING

- Borrowing of £114bn this year, up from previous £108bn forecast
- Borrowing set to fall to £108bn, £97bn and £87bn, £61bn and £42bn in subsequent years
- Borrowing as share of GDP to fall from 7.4 per cent in 2013/14 to 5 per cent in 2015/16
- Debt as a share of GDP to increase from 75.9 per cent in 2012/13 to 85.6 per cent in 2016/17

SPENDING AND PAY

- Most Government departments to see budgets cut by 1 per cent in each of next two years
- Schools and NHS will be protected
- £11.5bn in further cuts earmarked in 2015/16 Spending Review, up from £10bn
- 1 per cent cap on public sector pay extended to 2015/16 and limits on "progression" pay rises in the sector
- Military to be exempt from "progression" pay limits.
- Proceeds of Libor banking fines to be given to good military causes, including Combat Stress charity

INCOME TAX

- Limit at which people start paying tax to be raised to £10,000 in 2014 - a year earlier than planned

TRANSPORT AND INFRASTRUCTURE

- An extra £15bn for new road, rail and construction projects by 2020, starting with £3bn in 2015/16

JOBS

- 600,000 more jobs expected this year than at same time last year
- Claimant count to fall by 60,000

PENSIONERS

- Single flat-rate pension of £144 a week brought forward a year to 2016
- Cap on social care costs confirmed

BUSINESS

- Corporation tax to be cut by 1 per cent to 20 per cent in 2015
- New employment allowance to cut National Insurance bills by £2,000 for every firm
- 450,000 small firms will pay no employer National Insurance
- Government procurement from small firms to rise fivefold
- Tax relief for investment in social enterprises
- Stamp duty axed on shares traded on growth markets like AIM
- Tax avoidance and evasion measures, including agreements with Isle of Man, Guernsey and Jersey, aimed at recouping £3bn in unpaid taxes

HOUSING

- Shared equity schemes extended, with interest-free loans for homebuyers up to 20 per cent of value of new-build properties
- Bank guarantees to underpin £130bn of new mortgage lending for three years from 2014

ENERGY AND THE ENVIRONMENT

- Tax incentives for ultra low-emission cars
- Pottery industry in Midlands to be exempt from climate change levy
- Tax allowances for investment in shale gas

FAMILIES

- 20 per cent tax relief on childcare up to £6,000 per child from 2015
- £5,000 payments for those who lost money on Equitable Life policies bought before 1992.
- Extra money for those on low incomes

FUEL, ALCOHOL AND CIGARETTES

- September's 3p fuel duty rise scrapped
- April's 3p rise in beer duty scrapped. Instead, beer duty to be cut by 1p
- Annual inflation +2 per cent rise in beer duty to be ended but "duty escalator" to remain in place for wine, cider and spirits
- Cigarette duties unchanged - continuing to rise by inflation +5 per cent

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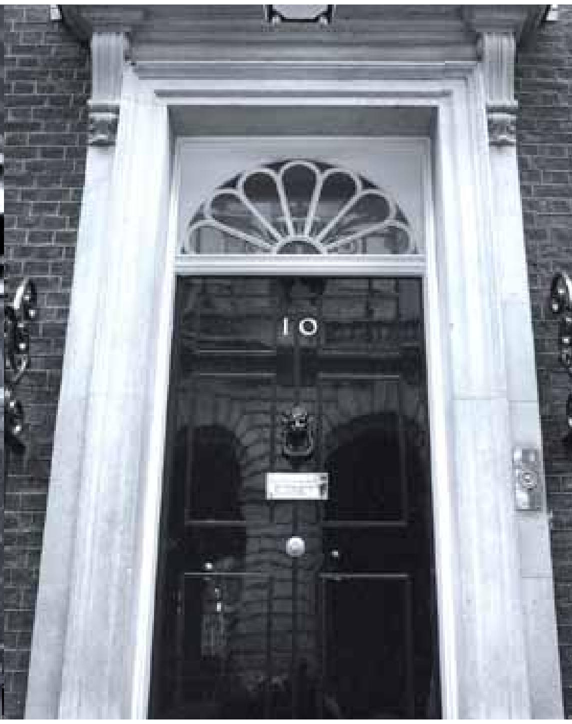

INCOME TAX PERSONAL ALLOWANCE INCREASE

THE AMOUNT YOU CAN EARN TAX-FREE BEFORE BASIC-RATE 20 PER CENT INCOME TAX COMMENCES

The personal allowance for income tax – the amount you can earn tax-free before basic-rate 20 per cent income tax commences – will be raised to £10,000 in April 2014.

For the first time higher income taxpayers will benefit more than lower earners from the personal allowance increase. The point at which people will start paying higher-rate income tax will be lowered to £41,865 in April 2014, as the personal allowance increases to £10,000. This will mean a benefit to higher rate tax payers of £83.

Workers who earn more than £100,000 will lose their personal allowance at a tapering rate of £1 loss of allowance for every £2 earned - meaning in April 2014, if you have a wage of £120,000 - £100,000 plus twice the personal allowance - you will be taxed on all of your income.

FOR THE FIRST TIME HIGHER INCOME TAXPAYERS WILL BENEFIT MORE THAN LOWER EARNERS FROM THE PERSONAL ALLOWANCE INCREASE.

The personal allowance for income tax will be increased to £10,000 and the 10 per cent band (applicable to savers and investors only) on the first £2,000 of taxable income will be reduced to 0 per cent, effectively making the personal allowance £12,000 for some people.

Nearly everyone who lives in the UK is entitled to an income tax personal allowance. This is the amount of income you can receive each year without having to pay tax on it.

	2012/13	2013/14	2014/15
Personal allowance	£8,105	£9,440	£10,000
Basic rate of tax limit	£34,370	£32,010	£31,865
Higher rate of tax threshold	£42,475	£41,450	£41,865

WEALTH CREATION TIP

Raising the personal income tax allowance to £10,000 from April 2014 is positive news for pension savers. Pensions are one of the most tax-efficient savings vehicles available but these efficiencies are not just limited to tax-relief on pension's savings. If a married couple are able to equalise their pension pots, significant amounts of money could potentially be saved in retirement by using both personal allowances, which will be worth £10,000 each.

CHANCELLOR EXTENDS HOME-BUYING SCHEME

'HELP TO BUY' SCHEME IMPROVES ON PREVIOUS SCHEME

New plans were announced in the Budget 2013 to help people to buy their own homes. The 'Help to Buy' scheme improves on a previous scheme known as FirstBuy. It enables buyers to put down a 5 per cent deposit on a new home.

Up to 20 per cent of the cost of the home is funded by a "shared equity" loan, which will be repayable when the home is sold. That loan will be interest-free for the first five years. The remainder is paid for with a standard mortgage.

Whereas the previous scheme was only open to first-time buyers, this one will be available to all buyers. Previously there was also an income limit of £60,000 a year, but this will no longer apply. It will cover homes up to the value of £600,000.

The chancellor also announced a new mortgage guarantee, which he claimed would dramatically increase the availability of loans.

THE CHANCELLOR ALSO ANNOUNCED A NEW MORTGAGE GUARANTEE, WHICH HE CLAIMED WOULD DRAMATICALLY INCREASE THE AVAILABILITY OF LOANS.

"We're going to help families who want a mortgage for any home they're buying, old or new, but who cannot begin to afford the kind of deposits being demanded today," he said.

It will run for three years from the start of 2014 and will be used to support £130bn of mortgages. The idea is that loans from High Street lenders would be underwritten by the Government. If a borrower defaults on a mortgage, the Government will step in to compensate the lender.

BUDGET 2013 BRIEFING

STATE PENSION CHANGES TO IMPACT ON FINAL SALARY SCHEMES

Chancellor George Osborne confirmed in his Budget 2013 speech that state pension changes – creating a single tier state pension - will be brought forward to 2016 from 2017. Whilst this is positive news for individuals, it will speed up the closure of private sector final salary pension schemes.

The simplification of the state system will benefit lower earners in particular and the self-employed, but it does give employers with open final salary pension schemes less time to make necessary readjustments to compensate for the higher National Insurance (NI) bills that they will face.

This measure will put an extra 3.4 per cent on NI bills. Whilst public sector schemes will be obliged to remain open, this measure is likely to speed up the closure of private sector final salary pension schemes.

Chancellor George Osborne delivered the fourth coalition Budget to Parliament on Wednesday 20 March 2013.

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BUDGET 2013 LOSERS

MEMBERS OF FINAL SALARY PENSION SCHEMES

More workers could see their schemes close as a result of the Chancellor's decision to bring forward the introduction of the flat-rate state pension. "Contracting out" - which sees members of final salary schemes and their employers pay lower National Insurance contributions - will also end so workers and companies will have to pay more.

PUBLIC SECTOR WORKERS

State staff were told to expect an additional year of austerity pay rises, with the 1 per cent annual increases lasting until 2015/2016.

WINE DRINKERS

The "escalator", which raises duty on alcohol by a minimum of inflation plus 2 per cent, remains on wine.

SMOKERS

The "vices" escalator was also enforced on cigarettes.

ANNUITY BUYERS

Mr Osborne said the Bank of England quantitative easing (QE) programme would continue. QE has depressed annuity rates by keeping gilt yields, on which they are based, low.

LOW-PAID WORKERS WANTING TO JOIN A PENSION

All workers are due to be automatically enrolled in a company pension over the next few years - but only if they earn more than a specified amount. This amount is currently aligned to the personal allowance, which will rise to £10,000, so more people will be excluded from automatic enrolment, Sackers, the pension law firm, pointed out.

BUDGET 2013 WINNERS

FIRST-TIME HOME BUYERS

A "Help to Buy" scheme was announced. It will offer up to £3.5bn for shared equity loans towards mortgages.

Buyers who put up a 5 per cent deposit can get another 20 per cent from the Government. This loan will be interest-free for the first five years. There will be a ceiling of £600,000 on the value of properties bought.

A "Mortgage Guarantee" scheme will be made available from January, and will incentivise lenders to give those with smaller deposits better mortgages. There will be guarantees to back £130bn of mortgages.

The Government will guarantee 20 per cent of the loan. Again, it will only be usable on properties worth up to £600,000. If a borrower's property is repossessed, the Government will cover a proportion of the losses suffered by lenders.

BASIC-RATE TAXPAYERS

The personal allowance - the amount you can earn tax-free before basic-rate income tax commences - will be raised to £10,000 from April 2014.

It follows several years of rises. For under-65s it was put up by £630 in the current tax year to £8,105 and is due to leap again to £9,440 next month - for the new tax year.

HIGHER-RATE TAXPAYERS

Mr Osborne made no mention of it in his speech but it looks like higher-rate taxpayers will also benefit from the rise in the personal allowance.

Previous rises have been offset by changing the level at which the 40 per cent income tax rate commences. It will fall from £42,475 for this tax year to £41,450 next year but will rise to £41,865 in 2014.

BEER DRINKERS

The alcohol duty escalator, introduced by Labour and so far retained by the Coalition, was scrapped on beer and duty was cut by 1p.

CHILD SAVERS

Six million holders of child trust funds (CTFs) will be allowed to switch their money into the newer Junior Individual Savings Accounts (JISAs), which offer better rates and cheaper investments.

The decision means those child savings will be able to get access to a best buy account paying 6 per cent interest rather than 3.05 per cent and "index tracker" funds that cost 0.27 per cent a year instead of the more typical 1.5 per cent on CTFs.

PARENTS WITH CHILDREN IN FULL-TIME CHILD CARE

A new system of tax breaks was outlined ahead of the Budget. In 2015, the existing scheme of child care vouchers will be replaced with a tax break of 20 per cent on nursery costs up to £6,000 a year. The difference with the existing system is that higher-rate taxpayers get no additional benefit and that it excludes stay-at-home mothers. It is also paid per child. Those with more children and using child care a lot will get the most benefit.

MOTORISTS

The "escalator" due to increase fuel duty again in September has been waived. The Chancellor said that petrol and diesel was now 13p per litre cheaper than it would have been if the escalator had been enforced over the past two years.

The previous Labour Government scheduled annual inflation-plus-1 per cent rises until 2014. But Mr Osborne cut 1p from fuel duty in the March 2011 Budget and announced in June last year that the rise due in August would be put off until the start of 2013. Once again, that 3p rise was postponed.

INVESTORS IN SMALL COMPANIES

Stamp duty on buying shares on "growth markets", such as the junior AIM market, will be abolished. The duty is normally payable at 0.5 per cent when buying shares.

THOSE WHO REACH STATE PENSION AGE IN 2016

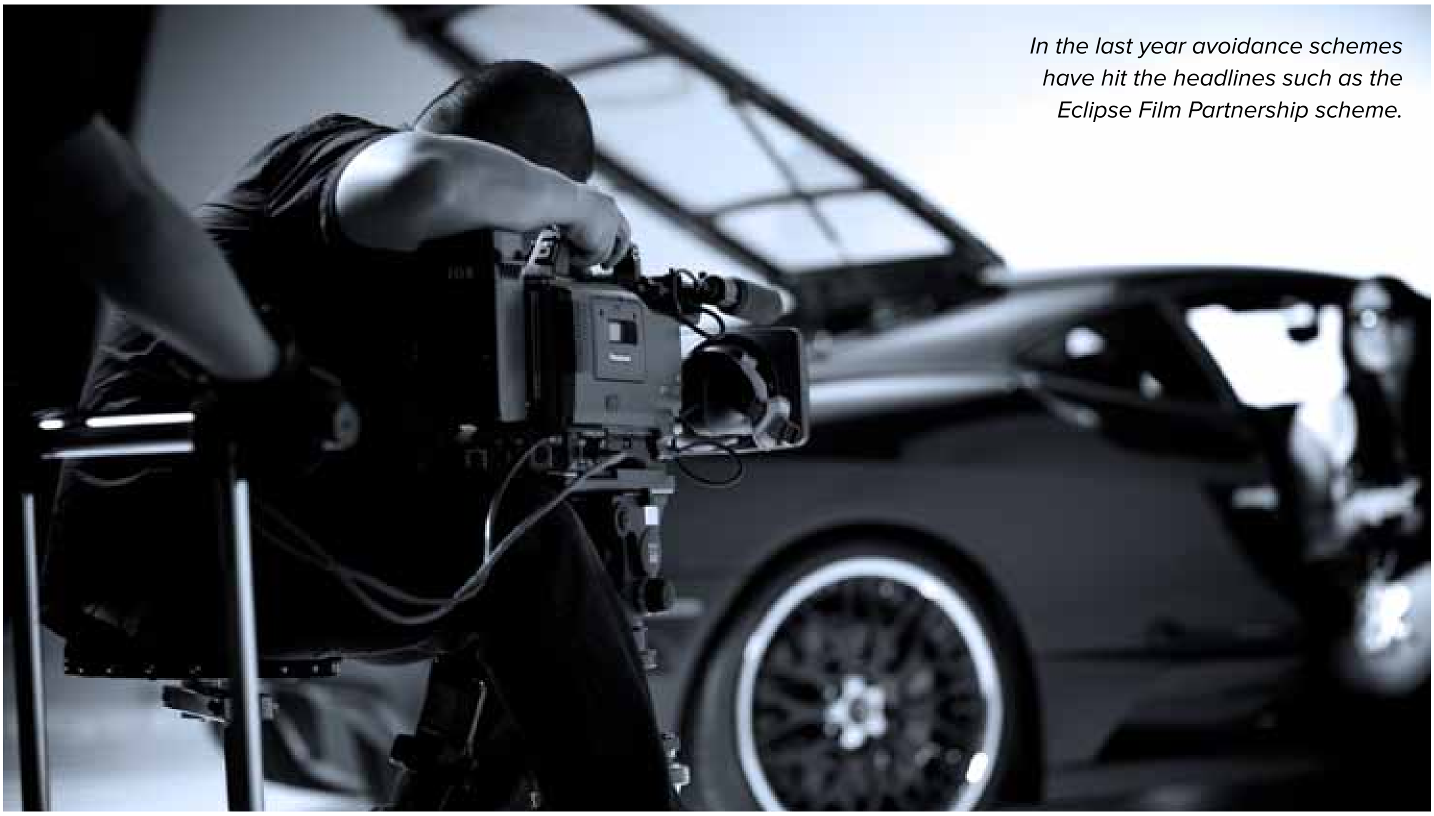
Anyone who reaches state pension age between April 2016 and April 2017 will now benefit from the new single-tier state pension. Previously it was due in 2017, so these people would previously have missed out. Anyone who would have received just the basic state pension, currently £107.45 a week, will gain by qualifying for the £144 flat rate state pension.

Some would already have got that amount from the top-up state pension; they will not lose any benefits already accrued but will miss one year of extra top-up.

EQUITABLE LIFE VICTIMS

Victims of the collapse of Equitable Life who had previously been denied compensation will now receive £5,000. Those on lower incomes will get £10,000.

The Chancellor described the payments as "ex gratia", saying the Government was under no obligation to make them but was doing the "right thing". The recipients will be those who bought with-profits annuities before 1992. The £10,000 payments will be made to those who receive pension credit, a means-tested benefit.



In the last year avoidance schemes have hit the headlines such as the Eclipse Film Partnership scheme.

TAX AVOIDANCE SCHEMES TARGETED

'NAMING AND SHAMING'

As part of broad and sweeping moves to clamp down on avoidance, the Government has announced it is to consult on new proposals to target the very promoters of some of the most aggressive schemes. The new moves, announced in the Budget 2013 will see the Government approach this by tackling 'both the supply and demand of these schemes'.

In the last year, scores of celebrities and well known sports stars have hit the headlines for being caught up in avoidance schemes – such as the Eclipse Film Partnership scheme in which ex-England coach Sven Goran Eriksson and Manchester United boss Sir Alex Ferguson both invested. The schemes were promoted by aggressive tax advisory companies. Several who were caught up in the schemes claimed they were victims of mis-selling.

HMRC is to shortly begin consultation on new 'naming and shaming' proposals alongside a range of targeted disclosure requirements and penalties.

As part of the clampdown, consultation will also begin on new powers to take tougher action against high risk promoters of tax avoidance schemes, including new information and penalty powers, and the possible use of 'naming and shaming', HM Treasury confirmed.

Announcing the moves, George Osborne said: 'We will name and shame the promoters of tax avoidance schemes. My message to those who make a living advising other people how aggressively to avoid their taxes is: this Government is not going to let you get away with it.'

HMRC IS TO SHORTLY BEGIN CONSULTATION ON NEW 'NAMING AND SHAMING' PROPOSALS ALONGSIDE A RANGE OF TARGETED DISCLOSURE REQUIREMENTS AND PENALTIES.

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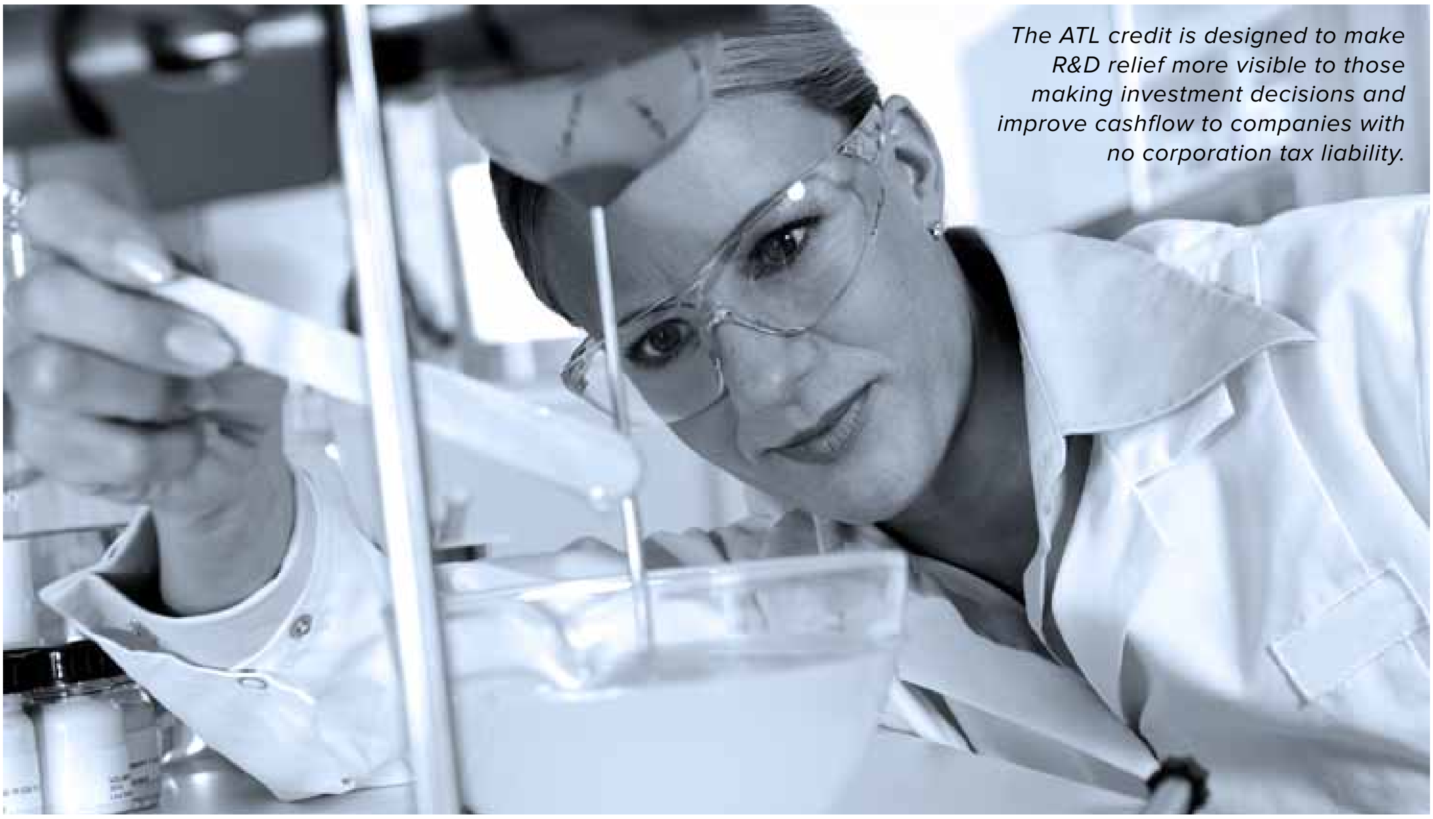

The ATL credit is designed to make R&D relief more visible to those making investment decisions and improve cashflow to companies with no corporation tax liability.

R&D ABOVE THE LINE TAX RELIEF INCREASED

NEW AND UPRATED TAX RELIEFS FOR BUSINESS

A number of new and uprated tax reliefs for business were announced in the Budget 2013, including the extension of above the line R&D tax reliefs. Mr Osborne confirmed that 'the above the line credit will be increased to 10 per cent from 1 April 2013'.

The above the line (ABL) R&D tax credit, for large company R&D expenditure incurred on or after 1 April 2013, first announced in 2011, has been extended with the introduction of an ATL credit.

The ATL credit is designed to make R&D relief more visible to those making investment decisions and improve cashflow to companies with no corporation tax liability, according to the Red Book, although some question whether it impacts any but the largest sector of the business market. The new measure increases the ATL credit to a rate of 10 per cent before tax. Companies with no corporation tax liability will be able to claim a payable credit. The ATL credit will be introduced alongside the existing super-deduction in April 2013, and will fully replace the super-deduction in April 2016.

The estimated cost of the measure is £80m in 2014/15, up from £20m in 2013/14.

NATIONAL INSURANCE PAYMENTS CUT

AN ATTEMPT TO BOOST JOB CREATION

Every company in the UK is to get the first £2,000 taken off their National Insurance (NI) bill in an attempt to boost job creation. Aimed at small firms, George Osborne said that when the change starts next April, "one third of all employers" will not have to make any NI payments.

NI payments go towards a number of benefits, including the state pension. The change is being called the Employment Allowance, which the Chancellor described as "a tax off jobs".

For an individual who's set up their own business, and is thinking about taking on their first employee, a huge barrier will be removed. They can hire someone on £22,000, or four people on the minimum wage, and pay no jobs tax.

The Employment Allowance will also apply to charities and community sports clubs.

5 POST BUDGET STEPS

TO MAXIMISE PENSION SAVINGS BEFORE THE TAX YEAR END

NOW THAT THE BUDGET HAS BEEN ANNOUNCED, PEOPLE HAVE CERTAINTY OVER THE TAX SAVING OPPORTUNITIES AVAILABLE

Following the Budget 2013 you need to maximise on tax relief when saving for your long-term future. A pension remains one of the most tax-efficient savings vehicles, and you should act fast to ensure that you maximise your pension savings before the tax year end. Utilising pension input periods can make a big difference to pension planning, and following the five tips below will help ensure you get the most from your pension savings.

UNDERSTANDING WHEN A PENSION INPUT PERIOD ENDS WILL ENABLE PEOPLE TO MAXIMISE THEIR 2012/13 ANNUAL ALLOWANCE IN TIME. THIS MAY BE EARLIER THEN THE 5TH APRIL 2013.

1. UNDERSTAND PENSION INPUT PERIODS

Pensions do not necessarily operate in sync with tax year end periods. Each pension will have a pension input period, which commences the first date the first contribution is made, and usually lasts for 12 months. It is the end date of a pension input period that will determine which year the Annual Allowance is tested against.

2. MAXIMISE CONTRIBUTIONS FOR THE CURRENT TAX YEAR FIRST

Understanding when a pension input period ends will enable people to maximise their 2012/13 Annual Allowance in time. This may be earlier then the 5th April 2013.

3. OPEN A NEW PENSION IF THE INPUT PERIOD HAS ALREADY ENDED

People looking to top-up their pension in the current tax year, who discover they have already missed their pension input period for the current tax year, need not despair. They can open a new pension account in the current tax year to solve this problem. People will need to ensure they instruct their provider to close the initial input period of the new account by 5 April 2013 to ensure the contribution is set against the Annual Allowance for this tax year.

4. UTILISE UNUSED ALLOWANCES FOR THE PREVIOUS THREE YEARS, AND OPEN A NEW PENSION IF THE INPUT PERIOD HAS ALREADY ENDED

Once someone has fully utilised the allowance in the current tax year, they can utilise any unused allowances from the previous three tax years. Any unused allowance from the furthest year is used first (so three years ago). If the input period in the current tax year has already passed, it is important to open another pension account, and ask for it to close on 5 April 2013, in order to still make a contribution in respect of unused allowance from 3 years ago. If another pension is not opened in time, this unused allowance will be lost forever, potentially losing up to £25,000 of tax relief for a 50 per cent tax payer.

If someone does not know when their input period ends, a situation could occur where someone believes they are making a contribution which utilises an unused allowance from three year earlier, when in fact the input period has passed. This will result in an overpayment, which does not attract tax relief (and the contribution will not be returned, it will remain in the pension fund).

5. USE PENSION INPUT PERIODS TO ACHIEVE 50 PER CENT TAX RELIEF ON CONTRIBUTIONS FOR THE 2013/14 TAX YEAR

Manipulating pension input periods can create an opportunity for additional rate tax payers to still get 50 per cent tax relief on any contributions for the 2013/14 tax year. This can be achieved by closing a pension input period in the current tax year, and starting a new input period ahead of the next tax year. Contributions made this tax year will still receive tax relief at 50 per cent, as tax relief is granted in the tax year the contribution is made even though the contribution is tested against next year's Annual Allowance. An extra 5 per cent in tax relief could equate to an extra £2,500 on the maximum £50,000 Annual Allowance available.

There are restrictions in place regarding the shortening of pension input periods, and someone can only have one input period ending per tax year within an arrangement. It is therefore important that professional financial advice is sought to fully benefit from the flexibility that the legislation provides.

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INCREASED BANK LEVY

EXCLUSION FROM FORTH-COMING CORPORATION TAX REDUCTIONS

Banks are to be subject to an increased bank levy, while foreign-owned financial institutions will be stopped from off-setting the fee against corporation tax (CT).

Chancellor George Osborne announced in the Budget 2013 that the levy is set to rise to 0.142 per cent from January 2014 'to ensure that banks make a fair contribution' explaining that the action 'reflects the risks they pose to the financial system and the wider economy.'

Tightening the legislation associated with the levy, from January 2013, the Government will remove the possibility of foreign-owned banks deducting the fee against UK CT and income tax.

The bank levy rate has now risen by over 80 per cent since it was introduced in 2011. This is a major cost for banks operating in the UK and is not a good advert for the City of London's competitiveness as a global financial centre, particularly at a time when this is already under threat from other quarters.

TIGHTENING THE LEGISLATION ASSOCIATED WITH THE LEVY, FROM JANUARY 2013, THE GOVERNMENT WILL REMOVE THE POSSIBILITY OF FOREIGN-OWNED BANKS DEDUCTING THE FEE AGAINST UK CT AND INCOME TAX.

Banks are also to continue being excluded from forth-coming CT reductions – including the fall to 20 per cent announced in the Budget 2013.

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STAMP DUTY ON SHARES ABOLISHED ON AIM

ELIGIBILITY TO A WIDER RANGE OF SMALL COMPANY SHARES

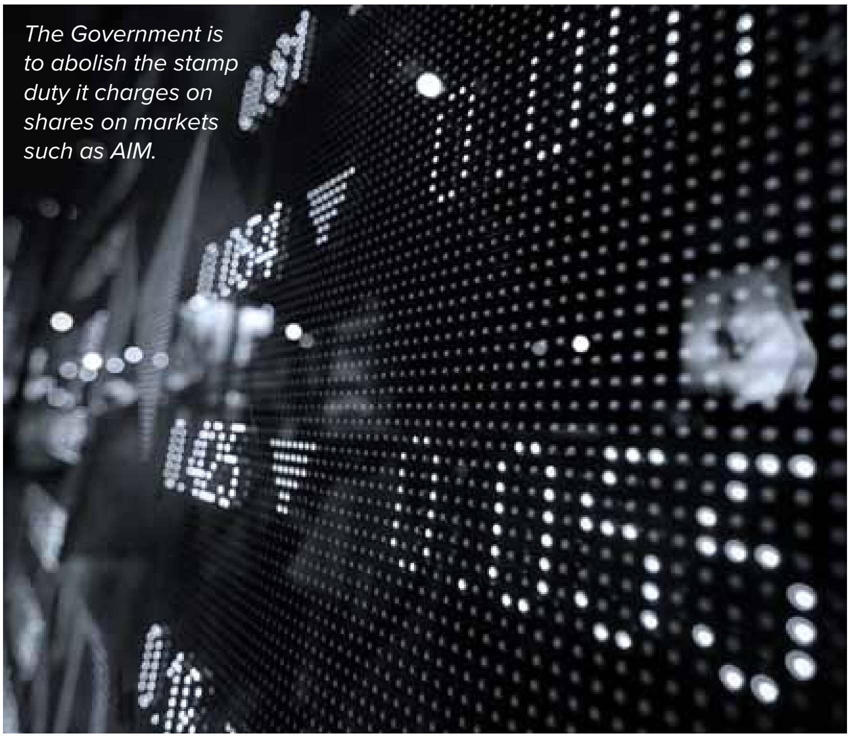
The Government is to abolish the stamp duty it charges on shares on markets such as AIM, considered growth markets.

The news, announced by Chancellor George Osborne as part of a raft of measures to make Britain business-friendly, comes in addition to the Government's consultation on extending Individual Savings Account (ISA) eligibility to a wider range of small company shares.

THE GOVERNMENT IS TO ABOLISH THE STAMP DUTY IT CHARGES ON SHARES ON MARKETS SUCH AS AIM, CONSIDERED GROWTH MARKETS.

'Many observers of the British tax system complain that is has long biased debt financing over equity investment. So today I am abolishing altogether stamp duty on shares graded on growth markets.

'From April next year, this will directly benefit hundreds of medium-sized UK firms, lowering their cost of capital and supporting jobs and growth across the UK,' said Osborne.



The Government is to abolish the stamp duty it charges on shares on markets such as AIM.

MISUSE OF THE PARTNERSHIP RULES

GOVERNMENT TO REMOVE THE PRESUMPTION OF SELF-EMPLOYMENT FOR LIMITED LIABILITY PARTNERSHIP

The Government will remove the presumption of self-employment for Limited Liability Partnership (LLP) partners, to tackle the disguising of employment relationships through LLPs and counter the artificial allocation of profits to partners (in both LLPs and other partnerships) to achieve a tax advantage.

The misuse of the partnership rules has been a feature of many avoidance schemes closed down in recent years and the Government announced on 5 December 2012 that HMRC would consider the taxation of partnerships.

As a result of this work, the Government will consult on measures to remove the presumption of self-employment for LLP partners and tackle the disguising of employment relationships through LLPs. It will also look at measures to counter the artificial allocation of profits to partners (in both LLPs and other partnerships) to achieve a tax advantage.

BUDGET 2013 BRIEFING

CORPORATION TAX RATE CUT

The Budget 2013 announcement to reduce the headline corporation tax rate to 20 per cent from 2015 makes the UK corporation tax rate the lowest in the G8 and delivers one single headline rate. This is the fifth time the Chancellor has cut the rate and 20 per cent seems a likely landing point for this Parliament.

The cut sends a clear signal to business and investors in the UK that the Government is committed to delivering a competitive tax system. The headline rate really does matter to international investors. To pay for a low but competitive tax regime the Chancellor also announced a package of anti-avoidance measures. For corporates, some changes around loss buying rules have been introduced.

WHAT DOES BUDGET 2013 MEAN FOR YOU?

Whether you're an employer, a business person, in the public sector or an individual wondering how you are affected, our analysis and insight can help shed light on the Budget measures. To discuss the impact on your financial plans, **please contact us for further information.**

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