

# Spring 2023

## Budget

### Highlights



#### **Tax:**

Although the chancellor said the government desired a pro-business, pro-enterprise tax rate, he pushed on with hiking corporation tax to 25% for businesses generating more than £250,000 in profit.

This is good for small businesses but unattractive to large multinationals.

All investment will be counted as a capital allowance and will be applied to all business. This means all investment in plant and equipment can be deducted from that year's tax.

#### **Pensions:**

Pension tax free allowance increased from £40,000 to £60,000 and the lifetime allowance of £1m has been abolished.

#### **Education:**

A new £600 incentive for childminders entering the profession, and £1,200 for those joining an agency.

Parents of children aged nine months to three years will be offered 30 hours a week of free childcare in term time - as long as both parents are working at least 16 hours a week. The change will be phased in gradually, by September 2025 - Hunt says this will allow for new provision to be available.

Universal credit claimants will be able to receive childcare funding upfront, instead of in arrears, and the amount available will increase.

Local authorities will be given more funding for wraparound care, from 8am-6pm, with an ambition that all schools will offer it by September 2026.

#### **Energy:**

The energy price cap of £2,500 for a typical household will be extended for the next three months. The measure would save the average family £160.

The rates charged for pre-pay energy meters will be brought in line with rates for those who pay by direct debit.

Fuel duty will be frozen and the 5p cut to duty will remain.

#### **Alcohol:**

The duty on alcohol will be frozen.

Pints served in pubs will attract 11p lower duty than pints sold in supermarkets.

#### **Savings:**

ISA limits will be kept the same. The current limit is £20,000 for an ISA in 2022/23. The £20,000 limit has been in place since 2017/18. And all under a Conservative government.