

JMR Accounting Solutions

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Newsletter June 2010 - Emergency Budget

Key points from the budget on Tuesday 22th June 2010 were:

- VAT rises on 4th January 2011 to 20% from 17.5%
- Food, children's clothing and other VAT-free items remain exempt from VAT for current Parliament
- Personal income tax allowance increased by £1,000 in April 2011 to £7,475
- Higher rate income tax rate remains frozen to 2013-14
- Employer national insurance holiday for new businesses in certain areas of Great Britain
- Capital gains tax for higher-rate taxpayers rises to 28% from midnight on 22nd June 2010
- Capital gains tax to remain at 18% for basic-rate taxpayers
- 10% capital gains rate for entrepreneurs extended to first £5 million of qualifying gains
- Small companies corporation tax rate cut to 20% from 5th April 2011
- Main rate of corporation tax will fall to 27% in 2011-12, with further cuts of 1% in the following three years
- Basic state pension linked to earnings once again, from April 2011
- No new tax increase on alcohol, tobacco or fuel
- Basic state pension will be re-linked to earnings from 5th April 2011
- Basic state pension will increase each year by highest of earnings, inflation or 2%
- Capital allowances for the majority of plant & machinery assets will fall from 20% to 18% and long life assets from 10% to 8% from 5th April 2011

