MARCH 2021 BUDGET

MAIN TAX ANNOUNCEMENTS

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1. Overview

The Chancellor had a difficult task in this Budget in trying to indicate how he might balance the Government's books in the future, whilst still having to pay out huge sums to support the economy. He said that he would continue to provide 'whatever it takes' to protect businesses and jobs during the present crisis, while being honest about the need to 'fix the public finances' and setting out his plans to build the future economy.

After spending so much in the past year, it was inevitable that Mr Sunak would have to raise taxes somewhere, but he was bound by an election promise not to raise the rates of income tax, NICs or VAT during the life of the Parliament.

There has been speculation that he might reduce relief for pensions or bring CGT rates in line with income tax. However, neither was mentioned.

We are promised consultation documents on 23 March that may raise those possibilities, but they are not an immediate prospect. Instead, corporation tax will go up but not until 2023, and after extra tax reliefs have been offered for investment in the meantime.

There will also be the less visible effect of freezing personal allowances and other reliefs until 2026, increasing the tax take year by year as inflation pushes more people over the limits.

Key announcements made by the Chancellor yesterday included the following:

- Further support for individuals and businesses impacted by the coronavirus pandemic: extensions for CJRS and SEIS grants, business rates relief, 5% VAT rate on hospitality and leisure; new grants and loans announced;
- Small increase in income tax thresholds for 2021/22, then a freeze until 2025/26;
- Freeze in pension scheme Lifetime Allowance, CGT annual exempt amount and IHT nil rate band until 2025/26, but no change to the rates of CGT;
- Corporation tax rate held at 19% until 31 March 2023, after which companies with profits over £250,000 will be taxed at 25%,
- 'Super-deduction' introduced for companies investing in plant and machinery between 1 April 2021 and 31 March 2023
- Trading losses up to £2m in 2020/21 and 2021/22 eligible for carry back against previous 3 years' profits, instead of the usual one year
- SDLT 'holiday' for the first £500,000 of residential property cost extended to 30 June 2021, with a further reduction in charges up to 30 September 2021

When the Chancellor sits down, the Government publishes everything on the internet including measures he hasn't mentioned, the detail of things he only touched on and the tables of financial estimates that show what makes a big difference to the public finances and what is marginal.

The following pages summarise the main tax announcements from the Chancellor's speech and the documents released by HMT and HMRC afterwards.

We will be happy to discuss the announcements with you in more detail and help you understand the implications for your business and finances.

2. **Income Tax**

2.1 Income Tax Rates and Allowances

The main Personal Allowance increases with inflation from £12,500 to £12,570 for 2021/22, and the basic rate band increases from £37,500 to £37,700. That means that the threshold for 40% tax is now £50,270.

Income Tax rates are complicated by different rates and allowances applying to different types of income (for example, salary, profits, rent, interest, dividends), so the effect of these increases are not the same for all taxpayers; someone with a salary of £50,270 will pay £68 less tax in 2021/22 than they did in 2020/21 (falling from £7,608 to £7,540). However, they will also pay £19 more in employee's National Insurance Contributions.

The level of income at which the Personal Allowance is withdrawn has been £100,000 since the rule was introduced in April 2010, and inflation means that far more people are now affected. Every £2 of income over that level reduces the allowance by £1. This results in an effective marginal rate of tax of 60% in the band of income up to £125,140 in 2021/22, above which the taxpayer will have no Personal Allowance.

The Scottish Parliament has set different tax rates and thresholds for Scottish taxpayers for non-savings, non-dividend income (details in Table A). The Welsh Government has similar powers for Welsh taxpayers, but has announced that it will not currently vary the main UK rates.

The Chancellor announced that the Personal Allowance and the rate bands will be frozen at their 2021/22 levels until the end of 2025/26, instead of their usual inflationary increases each year. This has enabled him to keep the manifesto pledge of not increasing the tax rates themselves, but so-called 'fiscal drag' will increase the tax due from people whose pay increases during that period. This is one of the ways in which the Chancellor aims to recover some of the huge cost of the pandemic support payments. In 2025/26, the Government expects to collect an extra £8b in Income Tax as a result – to put that in context, the fourth and fifth SEIS grants are expected to cost £12.75bn in 2021/22.

2.2 Company Cars and Fuel

The basis for taxing company cars and fuel provided for private use is set out in Table C.

No changes were made to the rates announced for car benefits in previous years, so cars first registered after 5 April 2020 will see their benefit charge rise by one percentage point. Fully electric cars gave rise to no tax charge in 2020/21, but there will be a charge on 1% of their list price in 2021/22, increasing to 2% in 2022/23.

There have also been changes to the taxable figures for vans with private use, including removing the taxable benefit on zero-emission vans with effect from 6 April 2021.

2.3 'Off Payroll' Working

HMRC has been concerned about individuals working through personal service companies (PSCs) for two decades: they regard this as a way of avoiding PAYE and Class 1 NIC where 'in reality' (in HMRC's view) the individual is acting as an employee.

The 'IR35' rules require PSCs to pay PAYE and NIC on income from engagements that are effectively employments. From 6 April 2017, where the individual behind the PSC works in the public sector, the responsibility for paying this tax was transferred to the person paying the PSC, and the responsibility for deciding 'what is effectively employment' was imposed on the public sector engager. HMRC is convinced that this has reduced non-compliance and intended to extend the same rules to large and medium-sized engagers in the private sector from April 2020. Because of the pandemic, this was delayed to 6 April 2021. Only technical amendments to the rules were announced in the Budget, so this will be introduced as planned.

This is a very significant and potentially contentious change for all those who work through, and those who contract with, PSCs. It will be important to understand the decisions that have to be made, who has the responsibility for taking them, and what to do if the parties to a contract do not agree about its status.

2.4 Enterprise Management Incentives

EMI scheme participants must meet a minimum working time commitment of either 25 hours per week or 75% of total working time, subject to a small list of exceptions. Due to the COVID-19 pandemic, many workers are on reduced hours or furlough and would therefore break the condition.

A time-limited easement of this rule, running from 19 March 2020 until 5 April 2022, applies where employees have not met the working time requirement as a result of coronavirus. It ensures that participants are not forced to exercise their options earlier than planned and also guarantees that participants can be granted qualifying options during the pandemic.

2.5 ISA Limits

The investment limits for 2021/22 remain at £20,000 for a standard adult ISA (within which £4,000 may be in a Lifetime ISA), and £9,000 for a Junior ISA or Child Trust Fund.

2.6 Pension Contributions

There has been speculation that the Chancellor might reduce pension tax relief, which costs the Exchequer a great deal. However, there were no significant announcements of reform in the Budget, although a number of consultations are expected on 23 March that might deal with this.

The only measure announced related to the Lifetime Allowance (LA), which is the maximum amount that a person can save in tax-advantaged pension schemes before extra tax charges arise on drawing benefits. The value of benefits is measured against the LA when benefits are first taken from a pension, and on some other occasions, including the individual's 75th birthday. The LA is frozen at its 2020/21 level of £1,073,100 until the end of 2025/26. When LA was first introduced in 2006, it was £1,800,000; fixing it at this level will mean that many more people will have to consider the tax charges when they draw their pensions over the next few years.

2.7 Income Tax Allowances, Rates and Reliefs

Income Tax Rates and Allowances (Table A)

Main allowances	2021/22	2020/21
Personal Allowance (PA)*†	£12,570	£12,500
Blind Person's Allowance	2,520	2,500
Rent a room relief §	7,500	7,500
Trading income §	1,000	1,000
Property income §	1,000	1,000

*PA will be withdrawn at £1 for every £2 by which 'adjusted income' exceeds £100,000. There will therefore be no allowance given if adjusted income is £125,140 or more.

†£1,260 of the PA can be transferred to a spouse or civil partner who is no more than a basic rate taxpayer, where both spouses were born after 5 April 1935.

§ If gross income exceeds it, the limit may be deducted instead of actual expenses.

Rate Bands	2021/22	2020/21
Basic Rate Band (BRB)	£37,700	£37,500
Higher Rate Band (HRB)	37,701-150,000	37,501-150,000
Additional rate	over 150,000	over 150,000
Personal Savings Allowance (PSA)		
– Basic rate taxpayer	1,000	1,000
– Higher rate taxpayer	500	500
Dividend Allowance (DA)	2,000	2,000

BRB and additional rate threshold are increased by personal pension contributions (up to permitted limit) and Gift Aid donations.

Tax Rates **2021/22 and 2020/21**

Rates differ for General, Savings and Dividend income within each band:

	G	S	D
Basic	20%	20%	7.5%
Higher	40%	40%	32.5%
Additional	45%	45%	38.1%

General income (salary, pensions, business profits, rent) usually uses personal allowance, basic rate and higher rate bands before savings income (interest). To the extent that savings income falls in the first £5,000 of the basic rate band, it is taxed at nil rather than 20%.

The PSA will tax interest at nil, where it would otherwise be taxable at 20% or 40%.

Dividends are normally taxed as the 'top slice' of income. The DA taxes the first £2,000 of dividend income at nil, rather than the rate that would otherwise apply.

High Income Child Benefit Charge (HICBC)

1% of child benefit for each £100 of adjusted net income between £50,000 and £60,000.

Income Tax – Scotland	Rate	2021/22	2020/21
Starter Rate	19%	£2,097	£2,085
Basic Rate	20%	2,098 – 12,726	2,086 – 12,658
Intermediate Rate	21%	12,727 – 31,092	12,659 – 30,930
Higher Rate	41%	31,093 – 150,000	30,931 – 150,000
Top Rate	46%	over 150,000	over 150,000

The Scottish rates and bands do not apply for savings and dividend income, which are taxed at normal UK rates.

Remittance basis charge	2021/22	2020/21
For non-UK domiciled individuals who have been UK resident in at least:		
7 of the preceding 9 tax years	£30,000	£30,000
12 of the preceding 14 tax years	60,000	60,000
15 of the preceding 20 tax years	Deemed to be UK domiciled for tax purposes	

Registered Pensions (Table B)

	2021/22	2020/21
Lifetime allowance (LA)	£1,073,100	£1,073,100
Annual allowance (AA)	40,000	40,000

Annual relievable pension inputs are the higher of earnings (capped at AA) or £3,600.

The AA is usually reduced by £1 for every £2 by which relevant income exceeds £240,000, down to a minimum AA of £4,000.

The AA can also be reduced to £4,000, where certain pension drawings have been made.

Car and Fuel Benefits (Table C)

Cars

Taxable benefit: List price multiplied by chargeable percentage.

		2021/22 percentage for petrol cars first registered	
CO2 emissions g/km	**Electric range Miles**	**Pre 06.04.2020 %**	**Post 05.04.2020 %**
0	N/A	1	1
1-50	>130	2	1
1-50	70 - 129	5	4
1-50	40 - 69	8	7
1-50	30 - 39	12	11
1-50	<30	14	13
51-54	N/A	15	14

Then a further 1% for each 5g/km CO2 emissions, up to a maximum of 37%. Diesel cars that are not RDE2 standard suffer a 4% supplement on the above figures but are still capped at 37%.

Car Fuel

Where employer provides fuel for private motoring in an employer-owned car, CO2-based percentage from above table multiplied by £24,600 (2020/21 £24,500).

3. **Capital Taxes**

3.1 Capital Gains Tax

CGT is not subject to the Conservative manifesto pledge not to increase the rates of Income Tax, NICs or VAT, which has contributed to speculation that CGT rates might be increased, possibly aligning them with Income Tax. No such announcement was made in the Budget, but a number of consultations to be issued on 23 March may cover this. Any change is unlikely to be introduced before the end of 2021/22, because the documents issued with the Budget show no changes to CGT rates.

The annual exempt amount will be fixed at its 2020/21 level of £12,300 until the end of 2025/26.

The rates of tax are unchanged at 10% (total income and gains within the taxpayer's basic rate limit) or 20% (gains above the basic rate limit) on assets in general, but 18% or 28% on residential property that is not eligible for the main residence exemption, and also on 'carried interest' of investment fund managers.

Most trusts will continue enjoy half the annual exempt amount (£6,000) and pay tax at 20% or 28% on chargeable gains.

3.2 Inheritance Tax

The IHT nil rate band was increased to £325,000 on 6 April 2009, and previous Budgets had fixed it at that level until the end of 2020/21. This Budget has further fixed it until the end of 2025/26.

Holding the threshold at the same amount for 17 years will bring far more people into the scope of the tax. However, the introduction of the 'residential nil rate band enhancement' on death transfers can reduce the impact where it applies.

Since 6 April 2020, a married couple are able to leave up to £1m free of IHT to their direct descendants (£325,000 plus £175,000 from each parent), but the rules are complicated, and the prospect of the nil rate band being fixed for the next 5 years increases the importance of proper IHT planning.

4 **Business Tax**

4.1 Corporation Tax Rates

The Corporation Tax rate will remain 19% until 31 March 2023. It will then increase to 25% for companies with profits over £250,000.

Since 1 April 2015, all corporate profits have been taxed at the same rate; the 'small profits rate' that was familiar before then will be reintroduced, at 19% for companies with profits up to £50,000, in April 2023. Profits between £50,000 and £250,000 will be subject to a tapering calculation that produces an effective marginal rate of 26.5%. The limits will be divided between associated companies under common control.

In line with the increase in the main rate, the Diverted Profits Tax will rise to 31% from April 2023 in order that it remains an effective deterrent against diverting profits out of the UK.

The Bank Surcharge is currently 8% and, without any other action, the increase in the main rate of corporation tax to 25% would make the UK taxation of banks uncompetitive and potentially damage one of the UK's key exports. The Government has stated it will review the bank surcharge in the autumn. Changes will be legislated for in the 2021/22 Finance Bill.

The two measures described above and below, which allow losses to be carried back for immediate relief rather than carried forward and give enhanced relief for investment in plant up to 31 March 2023, will help with cash flow; however, it should be borne in mind that both of them will give rise to tax relief against liabilities charged at 19%, and will tend to increase later profits that may be taxed at 25%. Such a sharp increase in a tax rate gives rise to planning opportunities and pitfalls to avoid.

4.2 Temporary Carry Back Of Losses

Companies and unincorporated businesses can normally set their trading losses against profits of the current or the previous 12-month period, or else carry them forward against future profits.

Where a business has made a large loss because of the pandemic, or makes losses in two successive periods, the 12-month carry back may not be enough to relieve the whole amount. The Budget proposes to introduce a temporary extension to the loss carry back rules. For accounting periods ending between 1 April 2020 and 31 March 2022, losses may be carried back up to three years, with losses required to be set against profits of most recent years first before carry back to earlier years.

No change is proposed to the current one-year unlimited carry back of trade losses. However, for the extended relief, the amount of loss that can be carried back to the earlier two years of the extended period is to be capped for each of those two years. This is a cap of £2,000,000 of losses for all relevant accounting periods ending in the period 1 April 2020 to 31 March 2021 (financial year 2020). A separate cap of £2,000,000 will apply for all relevant accounting periods ending in the period 1 April 2021 to 31 March 2022 (financial year 2021). Groups will be subject to a group cap of £2,000,000 for each relevant period.

Extended loss carry back claims will be required to be made in a return, although claims below a de minimis limit of £200,000 may be made outside a return. This means that any stand-alone or group company with losses up to a maximum of £200,000 may make a claim in respect of a relevant accounting period without having to wait to submit its company tax return.

Any stand-alone company or group company wishing to make a claim exceeding £200,000 will be required to make the claim in their company tax return.

Groups will be subject to a group cap of £2,000,000 where any company is able to make a claim that exceeds the de minimis. Any de minimis claims for the relevant period will be taken into account in determining the total amount available for any claims in excess of the de minimis.

4.3 Capital Allowances On Plant And Machinery

For qualifying expenditure on plant and machinery (P&M) contracted for from 3 March 2021 and incurred from 1 April 2021 to 31 March 2023, companies can claim:

- a super-deduction, providing allowances of 130% on new P&M investment that would qualify for 18% writing down allowances (WDAs) in the main Capital Allowance pool;
- a first-year allowance (FYA) of 50% on new plant and machinery investment that would qualify for 6% WDAs in the special rate pool.

The rate of the super-deduction will require apportioning if an accounting period straddles 1 April 2023.

Cars are excluded (with certain exceptions, such as dual-control vehicles used by driving instructors), as are contracts entered into prior to 3 March 2021, even if expenditure is incurred on or after 1 April 2021.

Expenditure incurred under a hire purchase or similar contract must meet additional conditions to qualify for these extra reliefs.

Where the super-deduction has been claimed, there will be a proportionate increase in the proceeds of sale for Capital Allowances purposes. For both the super-deduction and FYA, the proceeds will be treated as balancing charges (i.e. immediately taxable profits) rather than being deducted from pool expenditure.

The Annual Investment Allowance, on which a business can claim 100% relief on the cost of purchasing plant and machinery, was increased to £1 million for two years from 1 January 2019. It was due to fall back to the previous limit of £200,000 on 1 January 2021.

The Chancellor announced that businesses can continue to claim the 100% Annual Investment Allowance on qualifying expenditure up to £1m until 31 December 2021, subject to transitional rules where accounting periods straddle that date.

This may produce more tax relief for companies than the 50% FYA available for special rate expenditure, where it is incurred between 1 April 2021 and 31 December 2021.

4.4 Research & Development Expenditure

Small or medium-sized companies conducting qualifying research and development can claim an enhanced deduction of 230% (£230 for each £100 of qualifying expenditure). Where this produces a loss, it can be surrendered for a payable tax credit of 14.5%.

For accounting periods beginning on or after 1 April 2021, the amount of payable credit that can be claimed is capped at £20,000 plus three times the company's PAYE and NIC liabilities for the period. This definition also includes some PAYE and NIC liabilities of connected persons doing subcontracted R&D for, or providing workers to, the company.

There are no changes to the R&D Expenditure Credit (RDEC) rules for large companies.

The Government has announced a review of R&D tax reliefs, with a consultation published alongside the Budget. The intentions are that the UK should remain a competitive location for cutting edge research, that the reliefs continue to be fit for purpose and that taxpayer money is effectively targeted.

5 Stamp Duty Land Tax

The threshold for charging SDLT on residential property in England was temporarily raised to £500,000 in July 2020, with the intention that transactions had to be completed by 31 March 2021. This has now been extended to 30 June 2021

For transactions between 1 July and 30 September 2021 the threshold will be £250,000. It will revert to the normal level of £125,000 from 1 October, when the normal 2% charge will apply on the band £125,000 and £250,000.

The Welsh Parliament has also extended the £250,000 nil rate threshold for Land Transaction Tax to 30 June 2021.

With effect from 1 April 2021, foreign resident purchasers of residential property in England and Northern Ireland will be subject to a 2% surcharge on the SDLT they would otherwise pay. This is intended to reduce house price inflation and make property available for first-time buyers.

6 National Insurance Contributions

6.1 Introduction

There have been small increases in the thresholds above which employer's and employee's National Insurance Contributions become payable. The upper limits for employee contributions remain aligned with the point at which 40% Income Tax is payable (£50,270 per year, or £967 per week).

The upper limit will be frozen, in common with the personal allowance and basic rate band, until the end of 2025/26. Raising the upper limit increases the amount of NIC payable – salary below that level is charged at 12%, but above that level it is charged at 2%. The Budget documents state that decisions will be taken each year on the lower threshold, which is not being fixed in advance.

6.2 NICs – 2021/22 (Table D)

Class 1 (Employees)	Employee	Employer
Main NIC rate	12%	13.8%
No NIC on first	£184pw	£170pw
Main rate* charged up to	£967pw	no limit
2% rate on earnings above	£967pw	N/A
Employment allowance per qualifying business	N/A	£4,000

*Nil rate of employer NIC for employees under the age of 21 and apprentices under 25, up to £962pw.

Employer contributions (at 13.8%) are also due on most taxable benefits (Class 1A) and on tax paid on an employee's behalf under a PAYE settlement agreement (Class 1B).

Class 2 (Self-employed)

Flat rate per week	£3.05
Small profits threshold	£6,515

Class 3 (Voluntary)

Flat rate per week	£15.40

Class 4 (Self-employed)

On profits £9,568 – £50,270	9.0%
On profits over £50,270	2.0%

7 **Value Added Tax**

7.1 Registration and Deregistration Thresholds and Rates

The VAT registration and deregistration thresholds will remain frozen at their present levels of £85,000 and £83,000 for a further period of two years to 31 March 2024. This will tend to require more businesses to register for the tax as they grow, and therefore represents a small tax-raising measure.

7.2 Reduced Rate

To help support businesses heavily impacted by the pandemic, the rate of VAT on most supplies by hospitality, leisure and entertainment businesses was cut from 20% to 5% in July 2020. This was initially intended to expire in January 2021, but that was extended to 31 March, and it has now been further extended to 30 September 2021. An intermediate rate of 12.5% will apply for qualifying supplies from 1 October 2021 to 31 March 2022, after which the standard 20% rate will apply again.

HMRC says that there are no plans to introduce 'anti-forestalling rules' to counter the VAT saving enjoyed by someone who pays a deposit before the rate goes back up on present plans, that will lock in the lower rate of VAT to the extent that the supply is paid for before 30 September, even if the actual supply takes place later.

7.3 Payment Of Deferred VAT

Businesses could defer the payment of VAT that fell due between March and June 2020 to 31 March 2021. Businesses can now apply to pay it by interest-free instalments up to 31 March 2022.

Applications must be made online by 21 June 2021, but if the scheme is applied for earlier, the payments can be spread over a longer period.

7.4 Default Surcharge

HMRC has announced that the long-awaited reform of the system of penalties for late payment of tax will be implemented over the next three years, starting with the replacement of default surcharge for accounting periods starting from 1 April 2022.

Many of those who have fallen foul of default surcharge regard it as unfair and arbitrary, so it is to be hoped that what replaces it will be a better system. In the meantime, any warnings that default surcharge might be levied should still be taken very seriously

7.5 Making Tax Digital

The Budget also confirms the intention to bring all VAT-registered businesses, including those currently trading below the registration threshold, within the Making Tax Digital reporting system with effect from 1 April 2022.

8 Other Measures

8.1 Freeports

The Budget outlines the introduction of ‘Freeports’, areas in which a number of tax and other incentives will operate to encourage trade. Eight areas in England have been announced, with discussions in progress to extend the concept in the other nations of the UK.

The enhanced tax reliefs will include 10% Structures and Buildings Allowances (instead of 3%), 100% First Year Allowances for plant and machinery, full relief from SDLT, full Business Rates relief, and relief from Employer NICs. The reliefs will depend on designation as a ‘tax site’ within a Freeport and will run until 30 September 2026.

The English Freeports announced so far are East Midlands Airport, Felixstowe & Harwich, Humber, Liverpool City Region, Plymouth and South Devon, Solent, Teesside and Thames. They are expected to start operating in late 2021.

8.2 Tax Avoidance And Evasion

No Budget would be complete without an announcement of a crackdown on tax avoidance and evasion. This time the Budget included several references to increased efforts to crack down on avoidance, evasion and non-compliance.

The Government intends to invest £180m in additional resources and new technology for HMRC in order to bring in £1.6b of additional tax revenue between now and 2025/26. The benefits are supposed to include ‘enabling taxpayers to more easily access tax services and make the collection of tax and payments to taxpayers easier’, but the overall effect is clearly intended to raise revenue.

£100m will also be invested in a Taxpayer Protection Taskforce of 1,265 HMRC staff to combat fraud within COVID-19 support packages. HMRC’s ability to distribute money has been one of the success stories of the pandemic, but giving the cash to people who need it has involved taking the risk that the system can be exploited. They are now going to try to find the people who took advantage.

8.3 Interest Harmonisation And Reform Of Penalties For Late Submission And Payment

The Government is to reform the penalty regime for VAT and Income Tax Self Assessment (ITSA) to make it fairer and more consistent. The new late submission regime will be points-based, and a financial penalty will only be issued when the relevant threshold is reached. The new late payment regime will introduce penalties proportionate to the amount of tax owed and how late the tax due is.

The Government will also introduce a new approach to interest charges and repayment interest to align VAT with other tax regimes.

These reforms will come into effect: for VAT taxpayers, from periods starting on or after 1 April 2022; for taxpayers in ITSA with business or property income over £10,000 per year, from accounting periods beginning on or after 6 April 2023; and for all other taxpayers in ITSA, from accounting periods beginning on or after 6 April 2024.

8.4 OECD Reporting Rules For Digital Platforms

The Government is to consult on the implementation of OECD rules that will require digital platforms to send information about the income of their sellers to both HMRC and the seller themselves. This will help taxpayers in the sharing and gig economy get their tax right, and help HMRC detect and tackle non-compliance

8.5 OECD Mandatory Disclosure Rules

The Government is to consult on the implementation of OECD rules to combat offshore tax evasion by facilitating global exchange of information on certain cross-border tax arrangements.

8.6 Repeal Of Interest And Royalties Directive Provisions

The Government is to repeal provisions that gave effect to the IRD in UK law with effect from 1 June 2021. The effect will be to withdraw relief currently available to companies under the terms of the EU directive that no longer applies to the UK.

ROBINSON RUSHEN
4 March 2021

Note

This summary has been prepared from the Chancellor's speech and documents made available by HMT and HMRC. The proposals are subject to amendment before the Finance Act is passed.
You are recommended to seek professional advice before taking or refraining from any action on the basis of the contents of this publication.
If you would like further details on the Budget provisions, please contact Keith Rushen on 0044 (0)207 486 2378.