

# BUDGET 15 March 2023 – Key points

## Overview

- Most tax rates and allowances were announced in advance at the Autumn Statement, so the Budget focused more on spending than on tax

## Personal tax

- The main personal tax-free allowance and the 40% tax rate threshold remain frozen at their 2022/23 levels until the end of 2027/28, representing a tax rise where income increases
- The 45% threshold is lowered from £150,000 to £125,140 for 2023/24
- Tax-free dividend allowance falls from £2,000 to £1,000, and CGT annual exempt amount falls from £12,300 to £6,000, for 2023/24
- Pension savings thresholds significantly increased: from 6 April 2023, Annual Allowance rises from £40,000 to £60,000 (with related changes to tapering and Lifetime Allowance Charge is abolished; maximum tax-free lump sum remains 25% of former Lifetime Allowance at £268,275)
- ISA investment limit remains £20,000
- Increase in limit for shares that can be granted under Company Share Ownership Plans confirmed at £60,000
- Small Enterprise Investment Scheme limits increased from 6 April 2023 – maximum for investor is doubled to £200,000
- IHT thresholds and rates unchanged to the end of 2027/28

## Business tax

- Confirmation of corporation tax rate increase from 19% to 25% from 1 April 2023 for profits over £250,000
- ‘Super-deduction’ for plant and machinery bought up to 31 March 2023 replaced by 100% first-year allowance for qualifying capital expenditure, without upper limit, for three years from 1 April 2023
- Improvements to Research & Development tax reliefs from 1 April 2023
- Reforms to audio-visual tax reliefs from 1 April 2024
- Announcement of 12 ‘Investment Zones’ to be established throughout UK with incentives for investment and employment

## Other measures

- Energy Price Guarantee retained at £2,500 for average household for another 3 months to 1 July 2023
- Significant expansion of free childcare provision to be phased in from April 2024
- Fuel duty frozen, and temporary 5p reduction retained, for another year
- Introduction of ‘Returnerships’ – similar to apprenticeships, to encourage over-50s back to work