

Stephen Davies BA (Hons) Econ, CeFA  
Independent financial Adviser

So that was that, the final Budget before the impending election. But what will it mean for us all? It has to be said, these days the budget doesn't have the same gravitas it once did with many policies being announced earlier in the pre-budget report. So what were the big announcements? Firstly, the main headline grabber was the increase to the initial stamp duty threshold to £250,000 for first-time buyers. This, it's said, will be paid for by the introduction of a 5% stamp duty levy on sales of properties over £1m.

Others who benefited from the election were small business owners. Business rates will be cut from October for 12 months which will help an estimated half a million companies in the UK. The investment allowance for small firms will be doubled to £100,000, and the popular tax deferral scheme, which allows businesses to delay tax payments, will be extended for the whole of next parliament. Crucially, the chancellor has ordered the state-owned banks to provide £94 billion in small business loans.

The usual "culprits", tobacco, alcohol and fuel have been hit, with cider being particularly affected whilst the chancellor has bowed somewhat to pressure and staggered the proposed fuel duty increase over the coming year.

For individuals, the news is not so good. The proposed Inheritance Tax threshold, due to rise to £350,000 for 2010/11 has been shelved and will now remain at its current level (£325,000) for the next four years. Capital gains tax (CGT) however, will remain at its current level of 18% although there will be no increases in the annual CGT allowance, currently £10,100.

There was, however, good news for ISA investors with the announcement that, following the recent increase in ISA allowances to £10,200 for the tax year 2010/2011, from April next year the ISA limit will automatically increase in line with inflation.

From April 6, there will be a new higher rate of income tax of 50% on earnings above £150,000. Income tax allowances and bands will also be frozen meaning that everyone will pay more tax on their earnings if they receive a pay rise. Those earning in excess of £100,000 p.a. will have their tax free personal allowance taken away. But on a lighter note, it's not all doom and gloom, this is a World Cup year after all!

This brief article is not in any way designed to be a full analysis of the Budget provisions, it is merely a selection of some of the "headline issues" which may affect many of us and are important to be aware of.

If you are concerned about how the Budget could affect your finances and would like to review your arrangements, a consultation with an independent financial adviser or your accountant could prove invaluable.

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