



Budget 2020 What do you do now?

The Chancellor announced a number of measures during the Budget statement on 11 March 2020. How will the new policies affect individuals and businesses?

Coronavirus support - Make your claims

- Business rates discounts.
- Statutory sick pay - 14 days funded for SMEs.
- HMRC time to pay arrangements.
- Grant funding/bank loan schemes.

Capital allowances – Maximise claims

- Structures and building allowance - increased from 2 per cent to 3 per cent per annum.
- Enterprise zones - 100 per cent relief continues.
- Annual investment allowance - £1m per annum
- Zero emission vehicles - 100 per cent relief.

Research & development – Maximise repayment.

- RDEC - increased from 12 per cent to 13 per cent.
- R&D SME cap - delayed until 2021.

Corporation tax – Review deferred tax calculations

- Held at 19 per cent - not 17 per cent.

IR35 – Review contractors this month

- Previously announced changes still coming in April 2020.
- Review all contractors urgently.

Pensions – Review pension contributions

- Taper restriction now starts from £240,000 rather than £150,000.
- May be able to pay £40,000 per year again.
- Contributions for high earners over £312,000 restricted to £4,000 rather than £10,000.
- No change to ability to salary sacrifice pension contributions.

National minimum wage – Review your compliance

- Another large increase.

Entrepreneurs' relief – Check the conditions

- Entrepreneurs' relief survives, albeit falling from £10m to £1m.

New Taxes – Check if you're caught

- Plastic packaging tax - does your packaging contain 30 per cent recycled plastic?
- New 2 per cent residential property SDLT surcharge on for non residents.
- Digital services tax 2 per cent of in scope UK turnover above £25m threshold.

Don't forget!

- From April 2020 30 days to pay CGT on residential properties.
- No change to IHT so £1m allowance including property per couple, check you meet the conditions.

Unsure what the announcements mean for you?

To talk through any of the announcements in the 2020 Budget, speak to your usual RSM contact.

A comprehensive guide to all the tax facts and figures announced in the Budget is available at www.rsmuk.com/tax-facts



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