

## IMPORTANT DATES

### DECEMBER

19th: PAYE / NIC payment due  
31st: Effective filing / payment date corporation tax for companies y/e March

### JANUARY

19th: PAYE / NIC payment due  
31st: 2013-2014 tax return filing and payment deadline

### FEBRUARY

19TH: PAYE / NIC payment due

## NUGGET OF NEWS

**Company Cars.** The company car fuel benefit multiplier will increase from £21,700 to £22,100

**Company Vans.** The van benefit charge is to increase from £3,090 to £3,150. The standard van fuel benefit increases to £594 from the current rate of £581.

But we'd be surprised if these didn't keep going up, wouldn't we??

## AUTUMN STATEMENT



### The Chancellor delivered his annual Autumn

**Statement** on 3rd December 2014. I usually provide a summary digest for all clients of the key announcements of the day, with a focus on items that might be of interest specifically to the small business community. So here is my summary and as always, I appreciate your feedback as to whether this hits the right level....



### The Macro Picture

**Growth** forecasts for the whole economy have been revised down slightly from those figures given at the Budget in March. Growth is now forecast to be:

2014	3.0%
2015	2.4%
2016	2.2%

The amount that the government is having to borrow each year (**the deficit**) is falling but not as quickly as previously forecast. New figures are:

14-15	£91.3bn
15-16	£75.9bn
16-17	£40.9bn
17-18	£14.5bn
18-19	£-4bn - i.e. a surplus !!

As we will still be borrowing for the foreseeable future, the **total national debt** continues to rise.

This is often stated in terms of our ability to repay the debt i.e. as a % of national income (GDP). Debt as a % of GDP is forecast to be:

14-15	81.1%
15-16	80.1%
16-17	80.7%

In actual figures this represents total national debt of approx. £1.5 trillion, and it is not coming down yet! Austerity and cuts will continue throughout the next parliament.

### Measures affecting Businesses

**Small Business Rate Relief** has been extended for another year—to April 2016.

**The R&D tax credit** available for SMEs involved in research & development work has been slightly increased from 225% to 230% from April.

**The Funding for Lending** scheme is to be extended until January 2016 for small businesses.

**Employer's NICs.** The government had already announced that employer's NICs would be abolished for under-21s from April 2015. This is now being extended to apprentices under the age of 25 from April 2016.

**£2k Employment Allowance.** This is now being made available to anyone employing carers—previously excluded. I am assuming from this that the £2k employment allowance will continue for all existing employers past next April.

**Big Businesses.** Multi-nationals who divert profits generated in the UK to overseas territories (e.g. Google, Amazon), will face a 25% tax rate on diverted profits. Not sure how this will be measured!

**Banks.** Banks will suffer a limit to past losses available as an offset against current profits, of 50% of their profits leading to higher corporation tax bills in the short-term.



## AUTUMN STATEMENT ROUND-UP

### PRACTICE NEWS

#### Christmas Closing

We will be closing our offices between Monday 22nd December 2014 and Friday 2nd January 2015 for our annual Christmas break.

Best wishes for the festive season from both Sue and myself!!

#### Quickbooks 2015

We have a copy of QuickBooks desktop 2015 Pro available if anyone would like to make us an offer. This is a brand new disk, made available to us by Intuit for re-sale.

#### Tax Returns 13-14

If we have not made contact with you about your 13-14 tax return yet, then you may not be on our list to complete this year. Remember, we can not act until we receive all the information required from you!

If you would like us to assist this year but have not sent your information, please contact us NOW to be sure we can schedule you in.

#### Individual Taxation

**Personal tax-free allowances.** Originally scheduled to increase to £10,500 from April 2015, this will now increase to £10,600. Plus the increase will be reflected in the higher rate tax threshold with this rising from £41,865 to £42,385.

**ISAs** From April the limit for the new ISAs will rise to £15,240. And in future if you inherit ISAs from your spouse, these will maintain their tax-free status contrary to the current position.

#### **Transfer of pension pots to spouse tax-free.**

Announced back in March, it is confirmed that from April 15, the so-called 55% death tax that is currently applied when you pass an unused pension pot on to loved ones after your death will be abolished.

**Non-domiciled tax charge.** The basic annual charge of £30k will remain unchanged, but a new level of £60k will be introduced for non-doms, wishing to be taxed on the remittance basis, and who have been here for 12 of the last 14 years, rising to £90k for those resident here for 17 of the last 20 years.

**Fuel duty.** Frozen again

**Working-age benefits.** To be frozen for 2 years

#### Stamp Duty

**This was the biggest surprise** in the Autumn statement; a radical overhaul of the stamp duty regime when you purchase a property. Like income tax, you pay at the marginal rates rather than at an overall rate, as follows:

<£125k	0%
<£250k	2%
<£925k	5%
<£1.5m	10%
>£1.5m	12%

This comes in immediately with a choice of using the current system or the new system for house purchases where contracts have already been exchanged. The effect is lower stamp duty on properties < c. £925k and much higher duty on the most expensive houses. This measure is seen as an answer to the Labour party's so-called mansion tax proposals with a one-off hit on purchase rather than an ongoing tax on property.

#### Air Passenger Duty

From May 15 this will be waived on economy flights for children under 12. From March 2016 this will be extended to children under 16, in theory making foreign holidays cheaper for families.

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