

# BUDGET GUIDE 2017



**Stafford & Co**  
ACCOUNTANCY • AUDIT • BUSINESS GROWTH • TAX

This Budget guide is to provide an insightful overview of how the 2017 Budget will affect long term planning for your family, your business and your future.

As always if you would like advice on any of the changes detailed in the Budget Guide then please call the office & speak to a member of your team.

## Personal Tax

Personal tax-free allowance to rise as planned to £11,500 this year and to £12,500 by 2020.

From April 2018 the main rate of National Insurance contributions for the self-employed will increase from 9% to 10% then to 11% in April 2019. The Class 4 rate is levied on profits of more than £8,060 a year.

The increases, which will apply to earnings below £43,000, will raise £145m a year by 2021-22 at an average cost of 60p a week to those affected. All Class 4 earnings above £43,000 will be taxed at 2%.

There are no changes to National Insurance paid by the employed and employers or to income tax or VAT.

From April 2018, Class 2 National Insurance contributions will be abolished.

## Business Tax

The budget announced a further £435 million to support business affected by the business rates relief revaluation.

Small business coming out of small business rates relief will pay more than £600 more in business rate this year than they did in 2016-17

However funding for local authorities will allow them to provide £300 million of discretionary relief to provide help to businesses most affected by the revaluation.

From April 2017, pubs with a rateable value up to £100,000 will be able to claim a £1,000 business rates discount for one year.

Unincorporated businesses (businesses owned privately by one or more people) that have an annual turnover below the VAT registration threshold will have until April 2019 to prepare before Making Tax Digital becomes mandatory.

£2billion more per year in research & development funding by 2020 – 2021 helping the UK remain an attractive place for businesses to invest in innovative research.

## Pensions & Savings

The tax-free dividend allowance will be reduced from £5,000 to £2,000 from April 2018.

ISA's were a big topic, and the annual ISA limit has been increased from £15,240 to £20,000. The life time ISA will be available from 6th April this year allowing younger adults to save up to £4,000 each year and receive a bonus of up to £1,000 a year on these contributions. Funds can be withdrawn tax-free to put towards a first home or saved until a person turns 60.

From April 2017, a three-year NS&I Investment Bond with a market-leading interest rate of 2.2% will be available to everyone aged 16 and over. It will give the flexibility to save between £100 and £3,000 over three years.

## Other Topics Covered

£536 million for new free schools and to maintain existing schools

Tax-Free Childcare will be available to working parents providing up to £2,000 a year in childcare support for each child under 12. Working parents in England will also be able to apply for an additional 15 hours of free childcare for three and four year olds, bringing the total to 30 hours a week.

If you have found the items covered in our Budget guide of interest or wish to discuss any one particular item we are always happy to hear from you and want to help you pay the least amount of tax you are legally due to pay.

## Thursday Tax Talk



As part of the Stafford&Co service we hold a very successful late night Thursday Tax Talk where you can make an appointment to come in and see us and discuss any questions you have about tax or accounting in general. To book an appointment speak to a member of our team by calling 01204 368 550 or email [info@staffordandcompany.co.uk](mailto:info@staffordandcompany.co.uk)