

Businesses



- Corporation Tax remains at 19% until 31 March 2023 then it will increase to **25% from 1 April 2023** accompanied with a small profits rate of 19% for profits up to £50k tapering to 25% for profits of £250k or more.
- Reduced **5% VAT rate** for hospitality, holiday accommodation and attractions extended until **30 September 2021** then **12.5%** until **31 March 2022**.
- Temporary **130%** and **50%** first year allowances for new investments in Plant & Machinery and Special Rate assets made between **1 April 2021 and 31 March 2023**.
- Temporary extension to **trade** loss carry back period to **three years** for losses arising in 2020/21 and 2021/22 based on a **£2m** allowance per year (adjusted for groups).
- Consultations launched on improving the competitiveness of the UK's R&D tax credit schemes.
- Banking surcharge consultation announced.
- **Eight Freeports** announced across England – further sites likely in Scotland, Northern Ireland & Wales.
- Withholding tax exemption for cross-border payments of interest and royalties to associated companies in the EU to be abolished from **1 June 2021**.
- Business rates holiday for Retail, Hospitality & Leisure extended until **30 June 2021** and then up to **2/3** discount until **31 March 2022**.

Employers



- Coronavirus Job Retention Scheme extended to **30 September 2021** in its current form, with employers contributing **10%** of reference pay from July and **20%** of reference pay from August.
- Temporary income tax and NIC easements for certain COVID-19 related benefits in kind and employer reimbursed expenses extended to 2021/22.
- Consultation on how Enterprise Management Incentive tax advantaged share plans could provide more effective support to growth companies competing for key talent.
- Off-payroll working changes from **6 April 2021** confirmed, with a change to better target the definition of a worker's 'intermediary' to prevent abuse, and other minor changes.
- The Government will spend **£100m** to set up a new Taxpayer Protection Taskforce of **1,265** HMRC staff who will focus on investigating fraudulent claims under the Coronavirus Job Retention Scheme and Self Employed Income Support Scheme.

Individuals



- The Chancellor respected the manifesto commitment not to adjust the Income Tax or National Insurance Contributions rates.
- He also chose not to announce any major changes with respect to Inheritance Tax or Capital Gains Tax but consultations are still to be published on **23 March** so change may still be coming (see our [Changing face of capital taxes](#) webpage).
- Personal allowance increased to **£12,570** from 6 April 2021 then frozen until 5 April 2026. Higher rate threshold increased to **£50,270** from 6 April 2021 then frozen until 5 April 2026.
- Inheritance Tax nil rate band, Pensions Lifetime Allowance, Capital Gains Tax annual exempt amount frozen until **5 April 2026**.
- Stamp Duty Land Tax nil rate band **£500k to 30 June 2021**, then **£250k to 30 September 2021** and £125k thereafter.



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“Facing a fragile economic and political environment, Mr Sunak had to find a balance between manifesto commitments on no tax rises with raising revenues to fill the black hole in public finances. At first glance the focus is on large businesses with a larger-than-expected corporation tax increase to 25% from April 2023 but this remains the lowest of the G7. This is the first time since the 1970s that the main rate of corporation tax has been raised, although there is the unexpected return of a small business profits rate at 19%.”