

The third Budget in 12 months

This Budget looked as if it would be a difficult one for the Chancellor, faced as he was with disappointing economic numbers and the need to avoid ruffling feathers ahead of June's in/out referendum. What was to have been the big announcement – reform of pensions – was kicked into the long grass a few weeks ago. Nevertheless, Mr Osborne did spring a few surprises, including some tax reductions.

How will this Budget affect you? If you are – or want to be – a saver, then there is plenty to consider. From April 2017 a new ISA, the Lifetime ISA, will be launched for the under-40s. It looks as if it is a close relation of the recently abandoned pensions ISA. Also from 2017/18, the normal ISA contribution limit – unchanged for 2016/17 – will rise to £20,000.

Capital gains tax (CGT) rates will fall from 2016/17 to 20% and 10%, although the current rates of 28% and 18% will continue to apply to residential property (another buy-to-let attack) and carried interests. There will be a new entrepreneurs' relief (effectively 10% CGT) for external long term investors in unlisted companies.

Other important changes for included:

- Increases in the personal allowance for 2017/18 to £11,500 and the higher rate threshold to £45,000.
- A restructuring of stamp duty land tax (SDLT) on commercial properties.
- A major revamp of business rates, permanently doubling the Small Business Rate Relief.

As usual, we are on hand to help you if you would like to discuss any of the issues raised in the Spring Budget in further details. We will be pleased to hear from you.