

# 2021 - Budget Highlights

## By

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Last weeks Budget follows a period of unprecedented social and economic turmoil due Covid-19. The Chancellor had to address many issues to help the UK back on its feet and some of those measures that may be of interest to you are as follows:

### Employers

- **Furlough scheme** – The scheme has now been extended to September. The Government will pay 80% of the normal pay up to June and then 70% in July before falling to 60% in August and September. The cap currently at £2,500 will reduce to £2,187 in June and then to £1,875. [More>](#)
- **Apprenticeships** – The Government has extended the incentive to September with payments of £3,000 for hires of any age. [More>](#)
- **Employers Allowance** – The national insurance employment allowance remains at £4,000 for employers. Limited companies with only one director/employee cannot take advantage of this scheme but is available to all others. [More>](#)

### Businesses

- **Re-Start Grant** – Non-Essential retail that have been forced to close will get £6,000 per premises. Those who open later may get up to £18,000.
- **Business Loan Scheme** – There will be a new business loan scheme that will have an 80% Government Guarantee for loans from £5,000 to £10m. [More>](#)
- **Business Rates Holiday** – The 100% relief for qualifying business has been extended to the end of June 2021. After that, there is some further relief but that is more targeted. [More>](#)

### Income & Capital Gains Tax

- **Income Tax** – There has been a small increase in the personal allowances and chargeable bands. There have been no changes in the rates of tax chargeable. [More>](#)
- **Capital Gains Tax** – The annual exemption will remain at £12,300 until 2025/26. [More>](#)

### Business Tax

- **SEISS 4<sup>th</sup> and 5<sup>th</sup> Grant** – The self employed will now get further Grants if their businesses have been affected by Covid-19. HM Revenue & Customs will now consider the 2019/20 tax return income. If anyone missed out before because they were newly self-employed, they should now be eligible. [More>](#)
- **Loss Relief Carry Back** – The pandemic forced the shutdown of many businesses and those businesses may now have made trading losses. These losses can now be carried back 36 months for relief. [More>](#)
- **Capital Allowances** – The 100% allowance for plant & machinery is set to continue to 31 January 2022. There is also now a 130% super deduction relief available from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2023 for certain acquisitions. [More>](#)
- **VAT Relief** – There will be an extension to the reduced VAT rate of 5% announced last year. That rate will continue to 30<sup>th</sup> September 2021. There is a new rate of 12.5% after that to 31<sup>st</sup> March 2022. [More>](#)
- **Corporation Tax Rates** – The CT rates are now set to diverge to 19% for profits below £50,000 and 25% for profits over £250,000. There will be a lot of complications here that will give us interesting problems such as profits between the two limits will be taxed at 26.5%! [More>](#)

### Housing

- **Stamp Duty Relief** – The relief has now been extended to 30 June 2021 for properties up to £500K. [More>](#)
- **95% Government Backed Mortgages** – The Government will be helping first time buyers with a 95% guarantee mortgage to help them onto the housing ladder. So these buyers will only need to find 5% deposit for the property. [More>](#)

A summary of the 2021 Budget can be found [Here>](#)

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