

# Budget 2009

(Or at least what we know)

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# Changes since Budget 2008

- Increase in personal allowance
- 10% starting rate for interest
- Adjustment to 40% band
- Various adjustments to benefits
- VAT reduction to 15%
- Postponement of increase in small business CT rate
- Pleasure boat fuel duty
- Increase in duty on petrol (2p lt).
- Increase in duties on beer (3p pt), wine (11p btl), and spirits (6p btl). Cigarettes duty (17p)

# Personal Tax

## Allowances

	2009/10	2008/9
Personal	6475	6035 (5435)
Personal (65-74)	9490*	9030
Personal (>75)	9640*	9180
Blind Persons	1800	1730

\*Reduced when income exceeds £22,900

# Personal Tax

## Rates

	<b>2009/10</b>	<b>2008/9</b>
10% Savings/dividends	0-2440	0-2320 (nil)
20%	0-37400	0-34800 (36000)
40%	>37400	>34800 (36000)
Higher rate on dividends	32.5%	32.5%

# Company Cars Benefit

Based on Manufacturers list price plus accessories  
then on emissions\*

	2009/10	2008/9
10%	0-120	0-120
15%	121-135	121-135
per 5 over min.	+1%	+1%
Diesel surcharge	+3%	+3%
Bio reduction	-2%	-2%
Maximum	35%	35%

\*grams per kilometre

# Fuel Scale charges

Scale charge now based on the same percentage as the car benefit charge this year it will be a percentage of £16900.

Company petrol car mileage at 10p,12p and 17p dependant on CC.

(diesel 11p,11p and 14p)

## Mileage Rates

Unchanged at 40p per mile for first 10000 miles then 25p.

# National Insurance

	2009/10	2008/9
Employees	£110-844p.w	£115-770p.w
	11.0%	11.0%
	over £844 1%	over £770 1%
Employers	>£110p.w	>£105p.w
	12.8%	12.8%
	over £844 1%	over £770 1%
Class 2	£2.40.p.w	£2.30p.w
Class 4	5715-43875	5435-40040
	8%	8%
	1% over 43875	1% over 40040

# Business Taxes

2009/10

2008/9

## Corporation Tax

£0-300k	21% (22)	£0-300k	21%
>£300k	28%	>300k	28%

## Capital allowances

Energy saving plant	100%	100%
Plant & equipment	20%	20%
1st year	100% *	100% *
Cars over 160g/Km	10%	20%
Cars under 160g/km	20%	20%

Expensive car category abolished

\*Up to £50000

# VAT changes

- Since 15<sup>th</sup> December 15%
- Registration limit up to £67K
- Scale charges now on emissions range from £46-£161 per month..
- Reduced rate of 5% for smoking cessation products continues.

# Non business

- Spirits Tax up ? a bottle, Wine up ? a bottle, Beer up ? a pint, cigarettes up ? for 20.
- Additional Excise duties of £5 for high emission cars.
- Petrol up 1.84p per litre from April 1<sup>st</sup>

**That is Tomorrow**

# Other Changes

2009/10      2008/9

Inheritance tax limit	£325K	£312k
CGT	?	£9600
CGT Rate	18%	18%

# Other Tax Changes

- Air passenger duty to change from 1/11/2009 Based on class of travel and destination
- Tougher tax penalty regime
- Income shifting changes deferred

# Future Budgets

## Previously Announced

- 45% rate of income Tax >150K (2011/12)
- Pers allowance reduced > £100k (2010/11)
- NI increased by 5% ees and ers (2011/12)
- VAT to return to 17.5% (from 1 Jan 2010)
- Small companies CT up to 22% (2010/11)
- One off extra VED on new high emission cars

# Future Budgets

## Possibilities

Higher Vat – 20%?

Higher rate of income Tax?

Alcohol to be taxed by strength?

More anti avoidance measures?

Further environmental Taxes?

More Stealth tax?

Lower Vat on renovations?

Help to buy fuel efficient cars?