

Spring Budget 2023 Highlights	
Corporation tax	<p>The Chancellor confirmed that the main corporation tax rate will increase from 19% to 25% with effect from 1 April 2023.</p> <p>Note that banks will be subject to a 28% rate as of 1 April 2023 following the mini-Budget in 2022.</p>
Capital Allowances	<ul style="list-style-type: none"> <li>• The super-deduction regime will end 31 March 2023, and will be replaced from 1 April 2023 with 'full expensing' - 100% capital allowances for qualifying plant and machinery. This will last for three years but the Government has indicated that it is their ambition to make this permanent.</li> <li>• The Government will also introduce 50% first year allowances for 'special rate' plant and machinery, including long-life assets. These rules apply only for corporation tax purposes, and will not be available for businesses which are subject to income tax, unless they are below the Annual Investment Allowance threshold.</li> <li>• The 100% first-year allowance for qualifying expenditure on electric vehicle charge-point equipment will be extended until 31 March 2025 for corporation tax, and 5 April 2025 for income tax.</li> </ul>
Research & Development	<p>From 1 April 2023, a higher rate of relief for loss-making R&amp;D intensive SMEs will be introduced. SME companies whose qualifying R&amp;D expenditure constitutes at least 40% of their total expenditure will be able to obtain an effective credit of 27p for every £1 of qualifying R&amp;D expenditure.</p>
Pension tax relief	<p>The amount that an individual can contribute tax free to their pension fund is to be raised to £60,000 per annum from April 2023. The Government has noted that it will work to abolish the Lifetime Allowance in the future.</p> <p>For those who are already drawing down on their pension, the total amount they can save tax-free under the Money Purchase Annual Allowance is to be increased from £4,000 to £10,000 from April 2023.</p>
Fuel duty	<p>Fuel duty will be frozen and a 5p reduction will be maintained for another year.</p>
Alcohol duty rates and Alcohol duty reform	<p>Duty rates of alcohol will be frozen, with the exception of draught products (beer, cider, wine, etc). These changes will take effect from 1 August 2023.</p>
Charity relief restricted to UK charities	<p>EU and EEA charities and EU and EEA</p>

	<p>Community Amateur Sports Clubs will not qualify for UK charitable relief from 15 March 2023. There will be a transitional period until April 2024 that HMRC has previously accepted as qualifying for relief.</p>
Dividend allowance	<p>Although this was announced in an earlier budget, there are to be cuts in the dividend allowance to £1,000 per year effective from April 2023 and in the annual capital gains tax allowance from £12,300 per year to £6,000 from April 2023. There are also plans for these rates to further decrease in 2024.</p>
Energy price support	<p>The Energy Price Guarantee for households will continue at the current rate for three further months to June 2023, limiting the typical household energy bill to £2,500 per annum.</p>
Childcare support	<p>Eligible parents, carers, and guardians in England will be able to receive 30 hours a week free childcare for children over the age of 9 months, by September 2025. Previously, a child had to be 3 to 4 years old to receive this funding.</p>
Investment Zones	<p>The Government is currently in discussions with local authorities on Investment Zone proposals in Liverpool, Greater Manchester, East Midlands, West Midlands, North East, Teesside, South and West Yorkshire.</p> <p>The plans allow businesses established in approved Investment Zones to benefit from a list of reliefs, including full relief from Stamp Duty Land Tax for commercial land and buildings and full Business Rates relief.</p>