



Alistair Darling presented his third Budget on Wednesday 24 March 2010.

Having acknowledged that the country is emerging from deep global recession and needing to provide a route to long term prosperity he announced a number of new measures. Some will take effect immediately, whilst others will be enacted by a Finance Bill 'as soon as possible' in the next Parliament, so the timing of the changes needs to be carefully watched.

Our summary focuses on the issues likely to affect you, your family and your business. To help you decipher what was said we have included our own comments.

If you have any questions please do not hesitate to contact us for advice.

Main Budget proposals

- The Entrepreneurs' Relief limit will be doubled to £2 million for disposals on or after 6 April 2010. Gains qualifying for the relief are charged at an effective capital gains tax rate of 10%.
- Most businesses are able to claim an Annual Investment Allowance on the first £50,000 spent on plant and machinery. This provides immediate 100% tax relief on qualifying expenditure. The allowance is to increase to £100,000 from April 2010.
- Close companies, broadly family and owner managed companies, will no longer be able to obtain corporation tax relief on the write off of loans to a participator (generally a shareholder).
- Inheritance tax nil rate band is currently £325,000 and this band will be frozen until 2014/15.
- SDLT relief is introduced for first time home buyers but will be paid for by increasing SDLT on homes above £1 million.

Previous announcements

Some of the changes detailed in this summary have been the subject of earlier announcements. Here is a reminder of some of the more important ones:

- the small companies rate is currently 21% and an increase to 22% is planned to take effect from 1 April 2011
- introduction of a 50% top rate of tax for those with income over £150,000 and the phased reduction of personal allowances for those with income over £100,000
- removal of higher rate relief for pension contributions from 6 April 2011 for those with high income.

[Click here](#) now to read our summary and find out how it affects you.

Kind regards,

Lawson Coppock & Hart