



Tel: 01761 241 861
Email: info@sestiniandco.co.uk
Web: www.sestiniandco.com

Budget 2018

Our top 10



1. Personal allowance

- Kept 'til the end of the Budget speech, there was welcome news that the personal allowance will increase to £12,500 a year earlier than planned, from 2019, as will the Higher Rate Threshold (to £50,000).



2. Private Residence Relief

- The final period exemption will be restricted to 9 months (down from the current 18 months) from April 2020 and lettings relief will be reformed so that it only applies where the owner of the property is in shared occupancy with the tenant. (Both measures subject to consultation.)



3. Employment allowance

- From April 2020 this will be restricted to SMEs with a National Insurance Contribution bill of less than £100,000 in their previous tax year. It will continue to give businesses and charities £3,000 off the employer NIC bill.



4. IR35 changes

- Anticipated changes have been announced and although will be unwelcome for many, are perhaps diluted from the more sweeping changes that could have been made. The changes to off-payroll working have been extended to large private companies. The onus will be on the companies rather than the individuals to ensure they abide by the rules and will be introduced from April 2020.



5. Entrepreneurs' Relief

- This remains but the qualifying period is extended from 1 to 2 years from 6 April 2019. An additional anti-avoidance measure has been introduced on employee shares with little economic rights from 29 October 2018.



6. New and extended business incentives

- As part of measures aimed at improving productivity and increasing management capability, £20m has been pledged for peer-to-peer networks focused on business improvement in 2019-20; 2,000 places on a Small Business Leadership Programme in 2019-20; the British Business Bank's Start-Up Loans Programme will be extended to 2021; and the New Enterprise Allowance is being extended so it can continue beyond April 2019.



7. Business rates

- Retail properties with a rateable value below £51,000 will receive a third off their bill for two years, from April 2019.



8. Capital allowances for structures and buildings

- This applies to new non-residential structures and buildings (not land or residential) and gives 2% write-down allowance over 50 years.



9. Tax on digital services

- As hinted at last year, a new tax of 2% will come into force from April 2020 and will apply to specific digital services businesses – including groups with global revenue in excess of £500m a year. The Digital Services Tax is targeted mainly at search engines, social media companies and online marketplaces.



10. Plastic tax

- A new tax on plastic packaging is being introduced from April 2022 (subject to consultation) and will apply to companies which manufacture or import plastics with 30% or less recycled material.

If you'd like to discuss any of the changes and how they might affect you, please contact us:



Sestini & Co Tel: 01761 241 861 Email: info@sestiniandco.co.uk Web: www.sestiniandco.com