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# Spring Budget Report 2017



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This Report, which was written immediately after the Chancellor of the Exchequer delivered his Budget Speech, is intended to provide an overview of the latest announcements and recent measures most likely to affect you or your business.

Throughout this guide we have included tips and ideas to assist you with effective tax and financial planning. However, it is important to understand that planning is an ongoing, year-round process.

We can help to ensure that your financial plans remain effective, even as your personal and business circumstances change. We will work alongside you to help you achieve a rewarding and financially secure future.

## How to make the most of our services

Use page 15 to compile your own summary of the key points arising from this Budget and any actions you may wish to consider. The 2017/18 Tax Calendar on page 16 details many of the important dates and deadlines for the coming year.

Do contact us as soon as possible to discuss any action you may be considering, and to review your long-term plans. We always welcome the opportunity to help.

Please note: while most taxation changes take effect from the start of the financial year, or tax year, some may not take effect until 2018, or later. Where relevant, details of these changes have been included in this Report.

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## Final Spring Budget sets the stage for 'Britain's global future'

Chancellor Philip Hammond presented his first – and last – Spring Budget to the House of Commons in belligerent form.

Despite revealing upgraded forecasts from the Office for Budget Responsibility, the Chancellor announced that he would adhere to the government's new fiscal plan, with the stated aim of preparing Britain for a 'global future'. UK economic growth is now expected to reach 2% in 2017, before falling to 1.6% in 2018. Public sector net borrowing has been revised down to £51.7bn for 2016/17 and £58.3bn for 2017/18.

With Brexit approaching, the Chancellor announced a number of significant measures for UK businesses. These include a £435m package for firms in England affected by the business rates revaluation, with a cap on rate rises for those losing existing business rates relief and a £300m local authority 'hardship fund'.

As the government's flagship Making Tax Digital initiative draws closer, there was also some good news for smaller firms, with the announcement that unincorporated businesses and landlords with turnover below the VAT registration threshold will have until 2019 to prepare for quarterly reporting.

However, a less welcome measure for the self-employed will see the main rate of Class 4 national insurance contributions (NICs) increasing to 10% in April 2018 and 11% in April 2019. Meanwhile, shareholders and directors of small private firms will see a significant reduction in the tax-free dividend allowance, which will fall from £5,000 to £2,000 in April 2018.

Keen to address the UK skills gap, the Chancellor announced the introduction of new 'T-Levels' for 16-19 year olds studying technical subjects from Autumn 2019, as well as funding for 110 new free schools.

The Chancellor also confirmed previously announced measures for individuals, including the introduction of the new Tax-Free Childcare scheme, a three-year NS&I Investment Bond and the new Lifetime ISA.

Alcohol duties will increase in line with inflation, while duty on tobacco will increase by 2% above RPI inflation. The main rate of the new Soft Drinks Industry Levy, or 'sugar tax', will be set at 18p per litre.

Under the Chancellor's new timetable, the next Budget will be held in the autumn, followed by a Spring Statement in 2018.

### Budget Highlights

- **£435m business rates support package**
- **Class 4 NICs to rise to 10% in 2018**
- **Tax-free dividend allowance to reduce to £2,000**
- **Digital reporting delayed for some smaller businesses**
- **New NS&I Investment Bond offering 2.2% on up to £3,000**

“ We must focus relentlessly on keeping Britain at the cutting edge of the global economy. ”

Chancellor Philip Hammond



# Business tax and investment incentives

## Corporation tax

Corporation tax rates are as follows:

Financial year to	31 March 2018	31 March 2017
Corporation tax rate	19%	20%

The corporation tax rate will be 19% for the financial years beginning 1 April 2018 and 1 April 2019 and 17% for the financial year beginning 1 April 2020.

## Cash basis

The entry and exit thresholds for cash basis accounting will increase to £150,000 and £300,000, respectively. These increases will have effect on and after 6 April 2017. The government will also simplify the rules on capital and revenue expenditure within the cash basis, to make it easier for businesses to work out whether the expenditure is deductible for tax.

## Profits from trading in and developing UK land

Legislation will be introduced to ensure that all profits from trading in or developing land in the UK, that are recognised in the accounts on or after 8 March 2017, are brought into the charge to corporation tax or income tax, regardless of the date the contract was entered into.

## Substantial Shareholdings Exemption (SSE)

The government will legislate to simplify the SSE rules, remove the investing company requirement, and provide a more comprehensive exemption for companies owned by qualifying institutional investors. The changes will take effect from 1 April 2017.

## Employer provided accommodation

A consultation document will be published on 20 March 2017 with proposals to bring the tax treatment of employer provided living accommodation and board and lodgings up-to-date. This will include proposals for when accommodation should be exempt from tax and support taxpayers during any transition.

## Benefits-in-kind

It was announced that the government will publish a call for evidence on 20 March 2017 on exemptions and valuation methodology for the income tax and employer NICs treatment of benefits-in-kind. This is in order to better understand whether their use in the tax system can be made fairer and more consistent.

## Image rights

HMRC will publish guidelines in spring 2017 for employers who make payments for image rights to their employees in order to improve the clarity of the existing rules.

Longstanding tradition: a British Budget has been delivered for nearly 300 years



## Plant and machinery leasing

The government will consult in summer 2017 on the legislative changes required following the announcement of the International Accounting Board's new leasing standard, IFRS16, which comes into effect on 1 January 2019. The government intends to maintain the current system of lease taxation by making legislative changes which enable the rules to continue to work as intended.

## Research and development (R&D)

It was announced that administrative changes will be made to R&D tax credits. These will increase the certainty and simplicity around claims, and will take action to improve awareness of R&D tax credits among SMEs.

## Appropriation to trading stock

Legislation will be introduced to remove the ability for businesses to convert capital losses into trading losses where an asset is appropriated to trading stock. This will have effect for appropriations made on or after 8 March 2017.

## Contributions to grassroots sports

As previously announced, the government will extend the circumstances in which companies can get corporation tax deductions for contributions to grassroots sports. Following consultation, the legislation has been amended to extend the treatment of a sport governing body to its 100% subsidiaries. This measure will have effect from 1 April 2017.

## Withholding tax on interest

An exemption from withholding tax will be introduced for interest on debt traded on a multilateral trading facility. This will remove a barrier to the development of UK debt markets. The government will consult on implementation from spring 2017.

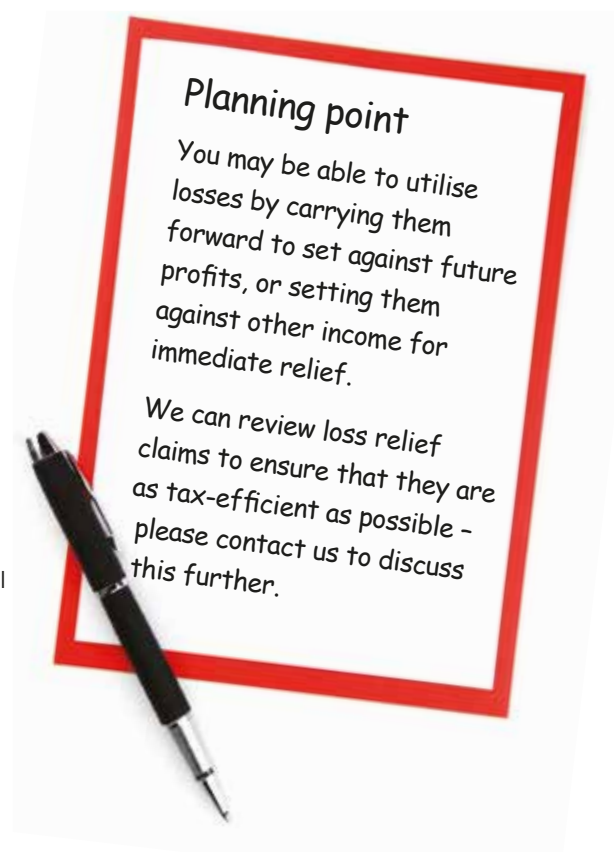
## Double Taxation Treaty Passport Scheme (DTTPS)

The government will renew and extend the administrative simplifications of the DTTPS to assist foreign lenders and UK borrowers. For overseas lenders, the scheme simplifies access to reduced withholding tax rates on interest that are available within the UK's tax treaties with other territories. The DTTPS is currently restricted to corporate lenders and corporate UK borrowers but from 6 April 2017 this restriction will be removed and it will now apply to all types of overseas lenders and UK borrowers.

## Master trust pension schemes

The government will amend the tax registration process for master trust pension schemes to align with the Pensions Regulator's new authorisation and supervision regime. This will help to boost consumer protection and improve compliance. The legislation will apply to all master trust pension schemes from October 2018.

*Aspirational: six previous Chancellors have gone on to become Prime Minister – Lloyd George, Winston Churchill, Neville Chamberlain, James Callaghan, John Major and Gordon Brown*



## National insurance contributions (NICs)

2017/18

Employee  
(primary)Employer  
(secondary)

### Class 1

Payable on weekly earnings of:

Below £113 (lower earnings limit)	Nil	–
£113 – £157 (primary threshold)	*0%	–
Up to £157 (secondary threshold)	–	Nil
Above £157	–	13.8%
£157.01 – £866 (upper earnings limit)	**12%	–
£157.01 – £866 (under 21s and apprentices under 25)	–	0%
Above £866	**2%	–

\*No NICs are actually payable but notional Class 1 NIC is deemed to have been paid; this protects contributory benefit entitlement.

\*\*Over State Pension age, the employee contribution is generally nil.

### Employment Allowance

up to £3,000 (per year)

<b>Class 1A</b>	On relevant benefits	13.8%
<b>Class 2</b>	Self-employed	£2.85 per week
	Small profits threshold	£6,025 per annum
<b>Class 3</b>	Voluntary	£14.25 per week
<b>Class 4</b>	Self-employed on annual profits	
	£8,164 – £45,000	*9%
	Excess over £45,000	*2%

\*Exemption applies if State Pension age was reached by 6 April 2017.

## Future changes

Class 2 NICs will be abolished from April 2018. The government will legislate to increase the main rate of Class 4 NICs from 9% to 10% with effect from 6 April 2018 and from 10% to 11% with effect from 6 April 2019.

## National Minimum Wage and National Living Wage

As announced in the Autumn Statement 2016, the National Minimum Wage (NMW) and the National Living Wage (NLW) will increase from April 2017. The government accepted all of the Low Pay Commission's recommendations for the NMW, and the new hourly rates are outlined below.

	Apprentices*	16 and 17	18 – 20	21 – 24	25 and over
National Minimum Wage	£3.50	£4.05	£5.60	£7.05	–
National Living Wage	–	–	–	–	£7.50

\*Under 19, or 19 or over and in the first year of their apprenticeship.

The government has now aligned the NMW and NLW cycles so that any future increases in rates will occur in April each year.



# Tax and travel

## Car and fuel benefits

The taxable petrol and diesel car benefit is based on the car's CO<sub>2</sub> emissions. It is calculated using the car's UK list price and applying the 'appropriate percentage', as shown in the table on the right. The car fuel benefit is calculated by applying the same percentages to the fuel benefit charge multiplier, which for 2017/18 is £22,600.

## VAT on fuel for private use in cars

Where businesses wish to reclaim the input VAT on fuel which has some degree of private use, they must account for output VAT for which they may use the flat rate valuation charge.

## Company vans

The taxable benefit for the unrestricted private use of vans is £3,230. There is a further £610 taxable benefit if the employer provides fuel for private travel.

Van and fuel charge	Van £	Fuel £	Total £
Tax (20% taxpayer)	646.00	122.00	768.00
Tax (40% taxpayer)	1,292.00	244.00	1,536.00
Tax (45% taxpayer)	1,453.50	274.50	1,728.00
Employer's Class 1A NICs	445.74	84.18	529.92

The benefit charge for zero emission vans for 2017/18 is 20% of the standard benefit charge. There is no fuel benefit for such vans.

## Mileage rates

Changes to the HMRC business mileage rates are announced from time to time. The rates from 1 March 2017 are shown in the table below.

The fuel only advisory rates relate to company cars only. They can be applied as a tax-free maximum rate for employees claiming for petrol used on business journeys and for employees reimbursing their employers for the cost of petrol used for private journeys. HMRC will consider claims for a higher maximum rate, if it can be demonstrated that it is necessary for an employee to use a car with higher than average fuel costs.

CO <sub>2</sub> emissions	Appropriate percentage	
	Petrol %	Diesel %
(g/km)		
0 - 50	9	12
51 - 75	13	16
76 - 94	17	20
95 - 99	18	21
100 - 104	19	22
105 - 109	20	23
110 - 114	21	24
115 - 119	22	25
120 - 124	23	26
125 - 129	24	27
130 - 134	25	28
135 - 139	26	29
140 - 144	27	30
145 - 149	28	31
150 - 154	29	32
155 - 159	30	33
160 - 164	31	34
165 - 169	32	35
170 - 174	33	36
175 - 179	34	37
180 - 184	35	
185 - 189	36	
190 and above	37	

Vehicle	First 10,000 miles	Thereafter	Car – fuel only advisory rates Engine capacity	Petrol	Diesel	LPG
Car/van	45p	25p	1400cc or less	11p	9p	7p
Motorcycle	24p	24p	1401cc to 1600cc	14p	9p	9p
Bicycle	20p	20p	1601cc to 2000cc	14p	11p	9p
			Over 2000cc	22p	13p	14p



## Plug-in grants

Motorists (private or business) purchasing new qualifying ultra-low emission cars can receive a grant of 35% towards the cost of the vehicle, up to a maximum of either £2,500 or £4,500 depending on the model. The scheme also covers new qualifying ultra-low emission vans, where the available grant will be 20% towards the cost of the vehicle, up to a maximum of £8,000. Vehicles with CO<sub>2</sub> emissions of 75 g/km or less, including electric, plug-in hybrid and hydrogen-fuelled cars, are potentially eligible for the subsidy. There are strict criteria to be met before specific vehicles can be confirmed as eligible under the rules of the scheme.

## Vehicle Excise Duty (VED) rates

### VED bands and rates for cars first registered on or after 1 April 2017

A new VED system will apply to the taxation of most passenger vehicles registered on or after 1 April 2017. For the first year this is based on CO<sub>2</sub> emissions as set out in the table on the right.

For following years all vehicles with zero emissions will be exempt from the standard rate of vehicle tax, all other petrol or diesel vehicles will pay a standard rate of £140 a year. An additional rate will be added to the vehicle tax for all new vehicles with a list price of over £40,000 (including zero emission vehicles). This additional rate of £310 will be payable each year for five years from the end of the first vehicle licence. After the five year period the standard rate will apply.

Alternative fuel vehicles continue to receive a £10 reduction on the standard and first year rates.

CO <sub>2</sub> emissions (g/km)	First year rate
0	£0
1 - 50	£10
51 - 75	£25
76 - 90	£100
91 - 100	£120
101 - 110	£140
111 - 130	£160
131 - 150	£200
151 - 170	£500
171 - 190	£800
191 - 225	£1,200
226 - 255	£1,700
Over 255	£2,000

### Standard rates which apply from 1 April 2017 for cars registered from 1 March 2001 to 31 March 2017

VED Band	CO <sub>2</sub> emissions (g/km)	Standard rate*
A	Up to 100	£0
B	101-110	£20
C	111-120	£30
D	121-130	£115
E	131-140	£135
F	141-150	£150
G	151-165	£190
H	166-175	£220
I	176-185	£240
J	186-200	£280
K**	201-225	£305
L	226-255	£520
M	Over 255	£535

\*Standard rate is reduced by £10 for alternative fuel vehicles with CO<sub>2</sub> emissions above 100 g/km.

\*\*Includes cars emitting over 225 g/km that were registered before 23 March 2006.

### HGV VED rates

The government announced that it will freeze rates of VED for HGVs in 2017/18, which includes all rates linked to the basic goods rate.



# Income tax and personal savings

## Income tax

	2017/18	2016/17
<b>Basic rate band – income up to</b>	£33,500 <sup>†</sup>	£32,000
Starting rate for savings income	*0%	*0%
Basic rate	20%	20%
Dividend ordinary rate	**7.5%	**7.5%
<b>Higher rate – income over</b>	£33,500 <sup>†</sup>	£32,000
Higher rate	40%	40%
Dividend upper rate	**32.5%	**32.5%
<b>Additional rate – income over</b>	£150,000	£150,000
Additional rate	45%	45%
Dividend additional rate	**38.1%	**38.1%
<b>Starting rate limit (savings income)</b>	*£5,000	*£5,000

<sup>†</sup>For Scottish taxpayers only the limit is £31,500. \*If an individual's taxable non-savings income exceeds starting rate limit, then starting rate limit for savings will not be available for savings income. £1,000 of savings income for basic rate taxpayers (£500 higher rate) may be tax-free. \*\*The first £5,000 of dividends are tax-free.

## Personal allowances

	2017/18	2016/17
<b>Personal Allowance (PA)</b>	£11,500	£11,000
<b>Married couple's allowance (MCA)</b> (relief given at 10%)		
Either partner born before 6 April 1935	*£8,445	*£8,355
<b>Transferable Tax Allowance ('Marriage Allowance')</b>		
For certain married couples (relief given at 20%)	£1,150	£1,100

\*Allowances are reduced by £1 for every £2 that adjusted net income exceeds £28,000 (£27,700) to a minimum MCA of £3,260 (£3,220). Where adjusted net income exceeds £100,000, PA is reduced in the same way until it is nil regardless of the individual's date of birth.

## Dividend allowance reduction

The tax-free dividend allowance will be reduced from £5,000 to £2,000 from 6 April 2018.

Built to last: the original red Budget box, commissioned by Gladstone, was used for more than 100 consecutive years



## Tax shelters

	2017/18	2016/17
Venture Capital Trust up to	£200,000	£200,000
Enterprise Investment Scheme up to	£1,000,000	£1,000,000
Seed Enterprise Investment Scheme up to	£100,000	£100,000
Social Investment Tax Relief up to	£1,000,000	£1,000,000

## Individual Savings Accounts (ISAs)

2017/18 limits:

Overall investment limit	£20,000
Junior ISA and Child Trust Fund limit	£4,128

## The new Lifetime ISA

From 6 April 2017 any adult under 40 will be able to open a new Lifetime ISA. They can save up to £4,000 each year and will receive a 25% bonus from the government for every pound they put in, up to the age of 50. Funds can be used to save for a first home worth up to £450,000 or for retirement. Various rules and restrictions apply.

## Pensions: Money purchase annual allowance

The government will legislate in Finance Bill 2017 to reduce the money purchase annual allowance to £4,000 on and after 6 April 2017. This restricts the amount of tax relieved contributions an individual can make in a year into a money purchase pension, if they have flexibly accessed their pension savings.

## Qualifying recognised overseas pension schemes (QROPS)

The government will introduce a 25% charge on transfers to QROPS. This charge is targeted at those seeking to reduce the tax payable by moving their pension wealth to another jurisdiction.

Exceptions will apply to the charge allowing transfers to be made tax-free where people have a genuine need to transfer their pension, including when the individual and the pension are both located within the European Economic Area.

The overseas transfer charge will have effect for transfers requested on or after 9 March 2017.

The measure also widens the scope of UK taxing provisions so that, following a transfer to a QROPS on or after 6 April 2017, they apply to payments out of those transferred funds in the five tax years following the transfer.

Financial strain? Derick Heathcoat-Amory collapsed while delivering his Budget in 1960



## Trading and property income allowances

As previously announced, the government will legislate in Finance Bill 2017 to create two new income tax allowances of £1,000 each, for trading and property income. The allowances can be deducted from income instead of actual expenses. The trading allowance will also apply to certain miscellaneous income from providing assets or services.

Following the publication of the draft legislation, revisions will be made to prevent the allowances from applying to income of a participator in a connected close company or to any income of a partner from their partnership.

## NS&I Investment Bond

The Budget confirms the rate of the NS&I Investment Bond announced at Autumn Statement 2016. The Investment Bond will offer a rate of 2.2% over a term of three years and will be available for 12 months from April 2017. The Bond will be open to everyone aged 16 and over, subject to a minimum investment limit of £100 and a maximum investment limit of £3,000.

## Capital taxes

### Inheritance tax: the new 'family home' band

April 2017 sees the introduction of the new 'residence nil-rate band' (RNRB), meaning that many individuals may be able to pass on a family home tax-free on death.

Inheritance tax is currently charged at 40% on the proportion of an individual's estate exceeding the 'nil-rate band' of £325,000. Married couples and registered civil partners can already pass any unused nil-rate band to one another on death.

Under changes announced by the government, an additional nil-rate band will be introduced for each individual to enable a 'family home' to be passed wholly or partially tax-free on death to direct descendants such as a child or grandchild. A step-child, adopted child or fostered child is also regarded as a direct descendant.

The RNRB is set to come into effect from 6 April 2017 and is in addition to an individual's own nil-rate band. The RNRB will be set as follows:

<b>2017/18</b>	£100,000
<b>2018/19</b>	£125,000
<b>2019/20</b>	£150,000
<b>2020/21</b>	£175,000

The additional band can only be used in respect of one residential property. The property does not have to be the main family home, although it must, at some point, have been a residence of the deceased.

There will be a tapered withdrawal of the RNRB for estates valued at more than £2m. This will be at a withdrawal rate of £1 for every £2 over this threshold.

*Impressive delivery: William Gladstone has presented the most Budget speeches of any Chancellor to date, notching up an impressive 12 deliveries*



## Capital gains tax

### On chargeable gains 2017/18

Total taxable income and gains

Up to higher rate threshold 10%

From higher rate threshold 20%

Trust rate 20%

Higher rates (18%/28%) may apply to the disposal of certain residential property and carried interest.

Annual exempt amount – individuals £11,300 and most trustees £5,650.

## Value Added Tax (VAT)

### From 1 April 2017

Standard rate 20%

VAT fraction 1/6

Reduced rate 5%

#### Current turnover limits

Registration – last 12 months or next 30 days over £85,000 from 1 April 2017

Deregistration – next 12 months under £83,000 from 1 April 2017

Annual and Cash Accounting Schemes £1,350,000

Flat Rate Scheme £150,000

## VAT Flat Rate Scheme

As announced in the Autumn Statement 2016, there will be a new 16.5% rate from 1 April 2017 for businesses with limited costs, such as many labour-only businesses.

Anti-forestalling provisions have been introduced to prevent any business defined as a limited cost trader from continuing to use a lower flat rate beyond 1 April 2017.

Hoodwinked: in the early 1990s, Chancellor Norman Lamont famously presented a bag containing a bottle of whisky to the eagerly awaiting photographers – the speech was actually being kept in a plastic bag!



## Duties

### Air Passenger Duty (APD)

The rates of APD for the tax year 2018/19 will increase in line with RPI. From April 2018 the Scottish government intends to set its own rate of APD.

### Alcohol and tobacco duties

As from 8 March 2017 duty rates on all tobacco products are increased by 2% above RPI inflation.

From 13 March 2017 the duty rates on beer, cider, wine and spirits will increase by RPI inflation.

### Insurance Premium Tax

The standard rate of Insurance Premium Tax will increase from 10% to 12% from 1 June 2017. The government will introduce new anti-forestalling legislation to take effect from 8 March 2017.

### Soft Drinks Industry Levy

As announced at Budget 2016, the government will legislate for a Soft Drinks Industry Levy, with two thresholds at 5g and 8g of sugar per 100ml. The rates were announced at Spring Budget 2017 and will be 18p per litre (ppl) for the main rate and 24ppl for the higher rate. The levy will take effect from April 2018.

## Other measures announced

### Business rates

The government will provide support for businesses facing significant increases in bills following the business rates revaluation due to take effect in England from April 2017. This includes:

- support for small businesses losing Small Business Rate Relief (SBRR) to limit increases in their bills to the greater of £600 or the real terms transitional relief cap for small businesses. This means no small business that is coming out of SBRR will pay more than £600 more in business rates than they did in 2016/17; and
- providing English local authorities with funding to support £300m of discretionary relief, to allow them to provide support to individual 'hard cases' in their local area.

The government will also introduce a £1,000 business rate discount for public houses with a rateable value of up to £100,000, subject to state aid limits for businesses with multiple properties, for one year from 1 April 2017.

At Budget 2016 the government announced an aim to deliver more frequent revaluations of properties – at least every three years. The government will set out its preferred approach for delivering this aim at Autumn Budget 2017 and will consult ahead of the next revaluation in 2022.

### 5G and broadband

The government has published a new 5G Strategy, which includes an investment of £16m to trial new 5G technology. There will also be £200m for local projects to build 'fast and reliable' full-fibre broadband networks.



## Salary sacrifice

As announced at Autumn Statement 2016, legislation will be introduced in Finance Bill 2017 to remove income tax and employer NICs advantages where benefits-in-kind are provided through salary sacrifice or other optional remuneration arrangements. Changes will take effect from 6 April 2017.

A transitional rule will protect employees who are in contractual arrangements before 6 April 2017 until the earlier of a variation or renewal of the contract or 6 April 2018, except for cars with CO<sub>2</sub> emissions above 75 g/km, accommodation and school fees, for which the final date is 6 April 2021.

Employer-provided pensions and pension advice, childcare vouchers, employer-provided childcare and workplace nurseries, cycle to work schemes and ultra-low emissions cars with CO<sub>2</sub> emissions not exceeding 75 g/km will be excluded from this measure.

## Tax-Free Childcare scheme for working parents

A new Tax-Free Childcare scheme will provide up to £2,000 a year in childcare support for each child under 12. Parents will be able to receive up to £4,000 for disabled children up to the age of 17. The scheme is being rolled out gradually from early 2017, starting with parents of the youngest children. All eligible parents will be able to access the scheme by the end of the year.

To qualify for Tax-Free Childcare, parents will have to be in work and each earning at least £115 a week and not more than £100,000 each per year. Unlike the current Employer-Supported Childcare scheme, self-employed parents will also be able to benefit. Parents will need to open an online account, which they can pay into to cover the cost of childcare. For every 80p paid in, the government will then top up the account with an extra 20p.

Later this year working parents in England will also be able to apply for an additional 15 hours of free childcare for three and four year olds, bringing the total to 30 hours a week.

## Disclosure of indirect tax avoidance schemes

As announced at Autumn Statement 2016, legislation will be introduced in Finance Bill 2017 to strengthen the regime for the Disclosure of Indirect Tax Avoidance. Provision will be made to make scheme promoters primarily responsible for disclosing schemes to HMRC and the scope of the legislation will be extended to include all indirect taxes, including the Soft Drinks Industry Levy. Details of the tests to apply to arrangements to determine if they should be disclosed to HMRC will be contained in regulations. These measures will come into effect on 1 September 2017.

## Making Tax Digital (MTD)

The government's landmark Making Tax Digital initiative is due to be implemented between 2018 and 2020, with the stated aim of creating a 'transparent and accessible tax system fit for the digital age'. The new MTD regime will see the phased introduction of a fully digital system, with businesses and individuals required to register, file, pay and update their information via a secure online tax account.

By 2020 most businesses, self-employed individuals and landlords will be required to use software or apps to keep digital business records, and to make regular updates regarding their income tax, VAT and NICs online.

In the Spring Budget the government announced a one year deferral from the mandating of MTD for unincorporated businesses and landlords with turnovers below the VAT registration threshold. They will now be required to start using the new digital service from April 2019. The government will also consult on the design aspects of the tax administration system, including interest and penalties, with the aim of adopting a consistent approach across taxes.



## What they said...

'We are building the foundations of a stronger, fairer, more global Britain.'

Philip Hammond, Chancellor of the Exchequer

'This was a Budget of utter complacency about the state of our economy, utter complacency about the crisis facing our public services and complacency about the reality of daily life for millions of people in this country.'

Jeremy Corbyn, Labour Party leader

'The business communities hardest-hit by this year's business rates revaluation will breathe a little easier thanks to the Chancellor's decision to offer a package of transitional reliefs.'

Adam Marshall, Director General of the British Chambers of Commerce

'The Chancellor's jokes may have been funnier than anybody expected, but it'll be business leaders' resilience that'll be needed to ensure we're still smiling in November.'

Stephen Martin, Director General of the Institute of Directors

## Devolution

The UK tax system is set for further landmark changes over the coming months and years, as more powers are devolved to Scotland, Wales and Northern Ireland.

### Scotland

From 6 April 2017, the Scottish government will set the rates and bands (excluding the personal allowance) on the non-savings, non-dividend income of Scottish taxpayers. For 2017/18 the Scottish government will freeze the higher rate income tax threshold at £43,000.

### Wales

The Welsh government is set to gain its own new income tax-setting powers in April 2019, allowing it to make cuts or increases of up to 10p within each band of the income tax collected within Wales. From April 2018 a new Land Transaction Tax (LTT) is also set to come into effect in Wales, replacing stamp duty land tax (SDLT).

### Northern Ireland

In April 2018, Northern Ireland is set to gain additional control over corporation tax, with the introduction of the Northern Ireland Rate. This new rate of corporation tax will be charged on profits generated in Northern Ireland and the Northern Ireland Executive plans to set the new rate at 12.5%.





# 2017/18 Tax Calendar

## April 2017

M	Tu	W	Th	F	Sa	Su
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

## May 2017

M	Tu	W	Th	F	Sa	Su
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

## June 2017

M	Tu	W	Th	F	Sa	Su
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

## April 2017

- 5 Last day of 2016/17 tax year.  
Deadline for 2016/17 ISA investments.  
Last day to make disposals using the 2016/17 CGT exemption.
- 14 Due date for income tax for the CT61 period to 31 March 2017.
- 19 Automatic interest is charged where PAYE tax, Student loan deductions, Class 1 NICs or CIS deductions for 2016/17 are not paid by today. Penalties may also apply if any payments have been made late throughout the tax year.  
PAYE quarterly payments are due for small employers for the pay periods 6 January 2017 to 5 April 2017.  
PAYE, Student loan and CIS deductions are due for the month to 5 April 2017.  
Deadline for employers' final PAYE return to be submitted online for 2016/17.

## May 2017

- 3 Deadline for submitting P46 (car) for employees whose car/fuel benefits changed during the quarter to 5 April 2017.
- 19 PAYE, Student loan and CIS deductions are due for the month to 5 May 2017.
- 31 Deadline for forms P60 for 2016/17 to be issued to employees.

## June 2017

- 1 New Advisory Fuel Rates (AFR) for company car users apply from today.
- 19 PAYE, Student loan and CIS deductions are due for the month to 5 June 2017.
- 30 End of CT61 quarterly period.

## July 2017

- 5 Deadline for reaching a PAYE Settlement Agreement for 2016/17.

## July 2017

M	Tu	W	Th	F	Sa	Su
31					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

## August 2017

M	Tu	W	Th	F	Sa	Su
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

## September 2017

M	Tu	W	Th	F	Sa	Su
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

- 6 Deadline for forms P11D and P11D(b) for 2016/17 to be submitted to HMRC and copies to be issued to employees concerned.  
Deadline for employment related securities returns for 2016/17.
- 14 Due date for income tax for the CT61 period to 30 June 2017.
- 19 Class 1A NICs due for 2016/17.  
PAYE, Student loan and CIS deductions due for the month to 5 July 2017.  
PAYE quarterly payments are due for small employers for the pay periods 6 April 2017 to 5 July 2017.
- 31 Second payment on account 2016/17 due.

## August 2017

- 2 Deadline for submitting P46 (car) for employees whose car/fuel benefits changed during the quarter to 5 July 2017.
- 19 PAYE, Student loan and CIS deductions are due for the month to 5 August 2017.

## September 2017

- 1 New Advisory Fuel Rates (AFR) for company car users apply from today.
- 19 PAYE, Student loan and CIS deductions are due for month to 5 September 2017.
- 30 End of CT61 quarterly period.

## October 2017

- 1 Due date for payment of Corporation Tax for period ended 31 December 2016.
- 5 Deadline for notifying HMRC of new sources of taxable income or gains or liability to the High Income Child Benefit Charge for 2016/17 if no tax return has been issued.
- 14 Due date for income tax for the CT61 quarter to 30 September 2017.

## October 2017

M	Tu	W	Th	F	Sa	Su
30	31					1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

## November 2017

M	Tu	W	Th	F	Sa	Su
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

## December 2017

M	Tu	W	Th	F	Sa	Su
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

- 19 Tax and NICs due under a 2016/17 PAYE Settlement Agreement.  
PAYE, Student loan and CIS deductions are due for the month to 5 October 2017.  
PAYE quarterly payments are due for small employers for the pay periods 6 July 2017 to 5 October 2017.
- 31 Deadline for HMRC to receive your 2016/17 paper self assessment tax return (SATR).  
Deadline for 2016/17 paper SATR if you expect tax to be collected by adjustment to your 2018/19 PAYE code and/or you require a paper bill in time to make payment by the due date.

## November 2017

- 2 Deadline for submitting P46 (car) for employees whose car/fuel benefits changed during the quarter to 5 October 2017.
- 19 PAYE, Student loan and CIS deductions are due for the month to 5 November 2017.

## December 2017

- 1 New Advisory Fuel Rates (AFR) for company car users apply from today.
- 19 PAYE, Student loan and CIS deductions are due for the month to 5 December 2017.
- 30 Online filing deadline for submitting 2016/17 self assessment return if you require HMRC to collect any underpaid tax by making an adjustment to your 2018/19 tax code.
- 31 End of CT61 quarterly period.  
Filing date for Company Tax Return Form CT600 for period ended 31 December 2016.

## January 2018

- 1 Due date for payment of corporation tax for period ended 31 March 2017.

## January 2018

M	Tu	W	Th	F	Sa	Su
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

## February 2018

M	Tu	W	Th	F	Sa	Su
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

## March 2018

M	Tu	W	Th	F	Sa	Su
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

- 14 Due date for income tax for the CT61 quarter to 31 December 2017.
- 19 PAYE, Student loan and CIS deductions are due for the month to 5 January 2018.  
PAYE quarterly payments are due for small employers for the pay periods 6 October 2017 to 5 January 2018.
- 31 Deadline for submitting your 2016/17 online SATR (£100 automatic penalty if your return is late).  
Due date for HMRC to receive cleared funds for 2016/17 capital gains tax, class 2 NICs and balance of income tax and Class 4 NICs; and first payment on account for 2017/18.

## February 2018

- 2 Deadline for submitting P46(car) for employees whose car/fuel benefits changed during the quarter to 5 January 2018.
- 19 PAYE, Student loan and CIS deductions are due for the month to 5 February 2018.

## March 2018

- 1 New Advisory Fuel Rates (AFR) for company car users apply from today.
- 3 5% late payment penalty on any 2016/17 outstanding tax which was due on 31 January 2018 and still remains unpaid.
- 19 PAYE, Student loan and CIS deductions are due for the month to 5 March 2018.
- 31 End of corporation tax financial year.  
End of CT61 quarterly period.  
Filing date for Company Tax Return Form CT600 for period ended 31 March 2017.  
Last minute planning for tax year 2017/18 – please contact us for advice.

