



Budget 2017 - at a glance

8 March 2017

The key outcomes for businesses, individuals and employers coming out of Budget 2017.

Businesses

- confirmation that corporation tax rate will be reduced to 17% by 2020;
- the government will provide an extra year, until April 2019, before Making Tax Digital is mandated for unincorporated businesses and landlords with turnover below the VAT threshold;
- the entry threshold for the cash basis method of computing taxable profits will increase from £83,000 (the VAT registration threshold) to £150,000 from 6 April 2017;
- legislation will be introduced in Finance Bill 2017 to the effect that all profits from dealing in or developing land in the UK that are recognised in the accounts on or after 8 March 2017 will be taxed; and
- the government will make administrative changes to the Research and Development Expenditure Credit to increase the certainty and simplicity around claims and will take action to improve awareness of R&D tax credits among SMEs.

Individuals

- the main rate of Class 4 NICs will increase from 9% to 10% in April 2018, and to 11% in April 2019;
- confirmation that Class 2 NICs will be abolished from April 2018;
- confirmation that the personal allowance will increase to £11,500 (currently £11,000) and the higher rate threshold to £45,000 (currently £43,000) from April 2018;
- the tax-free dividend allowance will reduce from £5,000 to £2,000 from April 2018; and
- a new 25% tax charge applies in certain circumstance to pension transfers made on or after 9 March 2017 to qualifying recognised overseas pension schemes.

Employers

- HMRC will publish guidelines for employers who make payments for image rights to their employees to improve the clarity of existing rules;
- the government will review the exemptions and valuation methodology for the tax and NIC treatment of benefits in kind; and
- the government will align time limits and debt recovery processes for NIC with other taxes.

Contact us



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