

Mini Budget 2022



Key business announcements

DY's key takeaways from the Mini Budget 2022 affecting the Shropshire community.

DY Tax

- The 1.25% percentage point increase in National Insurance will be scrapped from November 2022 for employees and employers.
- From April 2023 the basic rate of Income Tax will be cut from 20p to 19p.
- They will abolish the 45p additional rate completely to attract global talent and incentivise enterprise.
- The planned Corporation Tax increase to 25% has been cancelled. The rate will stay at 19%.
- Stamp Duty Land Tax cuts (England and NI), with the first £250,000 of a residential properties price not attracting SDLT; also an extension to the relief for first time buyers.
- Alcohol duty will be frozen from February 2023. This will also help the hospitality industry bounce back.
- The government will introduce a modern, digital, VAT-free shopping scheme for international tourists. This will support high streets, shopping centres and airports, creating jobs in the retail and tourism sectors.

DY Labour market

- Bankers' bonus cap to be scrapped
- 2017 and 2021 reforms to IR35 self-employment rules (employers required to assess IR35 status) to be scrapped.

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DY Business Investment

- Approximately 40 new investment zones will offer relaxed planning rules and tax breaks on National Insurance, investment, stamp duty and business rates.
- £500m to be put into “new innovation funds” with the view to boost investment into science and technology.
- The Annual Investment Allowance will be permanently set at its highest ever level of £1 million from 1 April 2023. This will give 100% tax relief to businesses on their plant and machinery investments up to the level of £1 million.
- Venture Capital Trust (VCT), Enterprise Investment Scheme (EIS) and Seed Enterprise Investment Scheme (SEIS) will be safeguarded beyond 2025 (previously subject to closure in 2025).
- From April next year, the amount companies can raise through Seed Enterprise Investment Scheme (SEIS) will rise from £150,000 to £250,000, and the annual investor limit will be doubled to £200,000. The gross asset limit will rise to £350,000, and the age limit extended from two to three years.
- The Company Share Option Plan (CSOP) limit allows businesses to offer employees share options worth up to £30,000. That is now doubling to £60,000. This will encourage employers to offer more shares to their employees, so everyone can share in the success.

DY Energy

- From October, the Energy Price Guarantee will limit the price customers can be charged for energy. A typical household will now likely pay £2,500 for their annual energy use, a £1,000 saving.
- The Energy Bill Relief Scheme will help to cut energy prices for businesses, charities and public sector organisations, such as schools and hospitals. The scheme will run for 6 months from 1 October 2022 to 31 March 2023