



Finance Bill confirms Dividend Allowance Reduction

The publication of Finance Bill 2017-19 ushers back in a raft of measures that had previously been dropped from Finance Bill 2017.

One such measure is the forthcoming reduction in the Dividend Allowance, which is set to fall from £5,000 to £2,000 next April. With 2.7 million individuals in receipt of dividend income, many are likely to feel the effects of the change.

Chancellor Philip Hammond stated that the cut would help to 'address the unfairness' that may be associated with the tax advantage enjoyed by director-shareholders.

The Chancellor initially announced the plans in the 2017 Spring Budget, but the measure was dropped from Finance Bill 2017 to pave the way for the General Election.

The reduction is likely to affect director-shareholders who opt to take dividends on top of a salary. It may also have consequences for savers with investments in stocks and shares worth £50,000 or more outside of an Individual Savings Account (ISA).

According to HM Treasury, the average loss is expected to be around £315 - but it could be significantly more for individuals paying tax at the higher or additional rate.

Other measures reintroduced to Finance Bill 2017-19 include the planned reduction in the pensions Money Purchase Annual Allowance (MPAA), which has fallen from £10,000 to £4,000. The measure is being enforced retrospectively, and has been backdated to the beginning of the 2017/18 tax year.

The Finance Bill also outlines a framework for VAT reporting, under the government's new Making Tax Digital initiative.

For more information on this, please contact us on 01753 888211 or visit www.nhllp.com

Business groups react to Taylor Review of employment

The Head of the Treasury Select Committee, Nicky Morgan, has branded the sending of backdated business rates bills to small businesses in England and Wales as 'particularly unfair'.

Dubbed the 'staircase tax', businesses which occupy space on multiple floors of a communal commercial property now receive separate business rates bills for each floor they occupy, where the areas separating the offices are communal (for example lifts, corridors and stairs). Some firms in England and Wales have seen their business rates rise significantly as a result.

The Valuation Office Agency (VOA) determines business rates for firms in England and Wales, and made the changes as a result of a previous Supreme Court ruling which considered how different storeys under common occupation in the same block are assessed for business rates purposes. Business rates are calculated separately in Scotland, using the rateable value which is set by a local assessor, and the 'poundage rate' which is set by the

Scottish government. For 2017/18, a Large Business Supplement of 2.6p is being added to all business properties with a rateable value of £51,000 or more.

Commenting on the so-called staircase tax, Ms Morgan said: 'It seems unfair to tax businesses differently depending solely on whether the staircases between their rooms are communal or private. 'It seems particularly unfair for the increase in rates to be backdated.'

Mike Cherry, National Chairman of the Federation of Small Businesses (FSB), said: 'No small business should receive a sudden tax hike of 5,000% simply because a workplace has been separated, for years, by a communal area, stairway or lift.

'Some small business owners are discussing whether to knock holes in their walls or stick a staircase on the outside of their premises.

'This is no way to run a tax system in the 20th century, let alone the 21st. Ministers have the power to provide relief, and they should do this urgently - to correct this defect in the UK tax system.'

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Other News – NH Sponsors Local Sporting Clubs

Nunn Hayward continue to support and sponsor local sporting clubs and organisations. Taxation Partner, Steve Cook said of their support towards such clubs 'We are delighted that we can help and fund local sporting clubs. It is important that these clubs have local backing and shows our commitment to the Town and the community in which we live and work in. This will be our 9th year sponsoring Gerrards Cross Cricket Club and our 1st of many years sponsoring Gerrards Cross Bowling Club. We even managed to organise a friendly internal bowling match for all staff, which they thoroughly enjoyed'.



ESSENTIAL TAX DATES FOR OCTOBER

1 October

Due date for payment of corporation tax for period ended 31 December 2016.

5 October

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 October

Due date for income tax for the CT61 quarter to 30 September 2017.

19 October

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 October

Deadline for submitting 'paper' 2016/17 self assessment returns. Deadline for submission of 2016/17 self assessment returns if you require HMRC to compute your tax liability and/or if tax underpaid is to be collected by adjustment to your 2018/19 PAYE code.