

Autumn Budget 2021: Key Points

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In today's Autumn Budget, Rishi Sunak promised plans to build "**a stronger economy for the British people**" after the coronavirus crisis. The Chancellor cut alcohol and fuel duties and lowered the Universal Credit taper rate amid the very real threat of inflation. Below is a summary the main announcements that will affect businesses.

Business Support

Business rates will remain at the same rate, with Mr Sunak saying that it would be wrong to find £25bn in extra borrowing through cuts to public services or tax rises elsewhere. But there will be some changes:

- New 50% business rates discount for businesses in the retail, hospitality, and leisure sectors, including pubs, music venues, cinemas, restaurants, hotels, theatres, and gyms
- This will mean any eligible business can claim a discount up to a maximum of £110,000 - a tax cut worth almost £1.7bn
- Mr Sunak says that, together with small business rates relief, this means more than 90% of all businesses in these sectors will see a discount of at least 50%
- Those who pay business rates will benefit from more frequent re-evaluations every three years from 2023
- New investment relief to encourage businesses to adopt green technology such as solar panels
- Business rates improvement relief - from 2023 every business will be able to make property improvements and, for 12 months, pay no extra business rates. This and the investment relief above total £750m
- To help businesses pay their tax bills, next year's planned increase in the multiplier will be cancelled - a cut of £4.6bn over the next five years

Tax

- £1m annual investment allowance will be extended to March 2023
- Bank surcharge within corporation tax will be retained at 3% and overall corporate tax rate on banks will increase from 27% to 28% in 2023
- Help for challenger banks - raising the annual allowance to £100m
- Tonnage tax (shipping) reform will see companies rewarded for adopting the UK's merchant shipping flag, the red Ensign

Research and Development (R&D) tax relief

- Tax relief for business R&D spending will be limited so that it only applies to activity within the UK
- The definition of R&D has been extended to include cloud computing

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