



The budget...mission impossible?

“...measures to build more homes through unlocking sites currently sitting dormant...”

Andrew Renton
Partner
020 8221 8036
andrew.renton@bowlinglaw.co.uk



Help for businesses:

The Budget 2009 promises to deliver targeted measures that will help businesses' short-term cash flow, including:

- further support to loss-making businesses, by extending the enhanced loss relief announced in the 2008 Pre-Budget Report for an additional year and expanding HMRC's Business Payment Support Service;
- enabling businesses to spread payment of this year's inflation up-rating to business rates over three years, as announced on 31 March 2009;
- a 'top-up' trade credit insurance scheme to help businesses maintain their finances, in which Government will offer to match private sector trade credit insurance provision, for a temporary period, if insurers reduce cover to any UK business;
- for a temporary period, a vehicle scrappage scheme, co-funded with industry, that will enable consumers who scrap vehicles older than ten years to replace them with new vehicles at a discount of £2,000.
- an increase in capital allowances for new investment to 40 per cent for one year, with effect from April 2009, to allow a higher proportion of private investment to be offset in that year against taxable profits;
- a £750 million Strategic Investment Fund to support advanced industrial projects of strategic importance, of which a third of the funding will be earmarked specifically for low carbon projects;

- the implementation of a package of reforms to the taxation of foreign profits, including the introduction of an exemption for foreign dividends, supported by a limited restriction to the interest deduction rules.

Helping homeowners, homebuyers and the housing market:

- a £600 million funding package of measures to build more homes through unlocking sites currently sitting dormant; and
- an extension of the stamp duty holiday for all houses costing up to £175,000 until 31 December 2009. In addition.