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Key points from the Spring 2022 Forecast Statement

1



NIC Threshold Increase

NIC threshold increases by nearly £2,700, up from a planned rise of £300. This equalises national insurance contributions threshold with the personal allowance of £12,570, effective July 2022.

2



R&D Tax Reliefs Reform

Reforming R&D tax reliefs: from April 2023 companies will be able to claim R&D relief on vital data storage. R&D expenditure credit may be reassessed in Autumn 2022.

3



Income Tax Cut

In 2024, the basic rate of income tax will be cut from 20% to 19%.

4



Employment Allowance

An increase to employment allowance for small businesses to £5,000 will be effective April 2022.

5



Annual Investment Allowance

The Annual Investment Allowance limit of £1m is being extended to 31 March 2023 giving greater up-front tax relief on business investment.

6



Fuel Duty

Fuel duty will be cut by 5p per litre, effective from 23 March and will stay in place till March 2023.

7



VAT & Energy Saving Materials

For the next 5 years, the Government will extend the VAT zero-rate to households installing solar panels, heat pumps and insulation.

8



House Holder Funding

Doubling the Household Support Fund to £1bn to help with the cost of living.