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# A brief glance at the Government's mini-budget

We're sure you've been keeping an eye on the Chancellor's latest mini-budget. Continue reading for a very quick overview of changes that will impact both large and small UK businesses in the months ahead.

## National Insurance U-Turn

In **April 2022** Class 1 National Insurance (NI) contributions increased by **1.25p** in the pound, this has now been reversed by the Government from **6 November 2022**. Increases to Class 1A, Class1 B and Class 4 National Insurance Contributions have also been reversed by **1.25p** in the pound.

This increase in National Insurance was the first step towards introducing the Health and Social Care Levy, an initiative that has now been scrapped.

**Keep an eye on your business savings, the [Government](#) claim that the majority of UK businesses will save an average of £9,600 in 2023-24\***

## Income Tax reduction

The Government will cut the basic rate of income tax to **19%** from **April 2023** (One year earlier than previously communicated). Meanwhile, the **45%** additional rate of income tax will be abolished for England, Wales and Northern Ireland taxpayers (Different rates and thresholds for Scotland apply). Instead there will be one single higher rate of income tax of **40%** from **April** next year.

We'll be in touch closer to the time on how this may impact your business, especially if you have employees on the payroll.

## **Corporation tax increase scrapped**

During the Spring Statement, the former Chancellor announced an increase in the main rate of Corporation tax, rising from **19%** to **25%** in April 2023. This tax increase has now been cancelled and will not take place as scheduled.

## **Any other news in the business sector?**

Whilst the news around Income Tax, National Insurance and Corporation Tax is the headline business news, there are further updates you may find useful to know:

- The IR35 reforms of 2017 and 2021 will be repealed on **6 April 2023** - This means Agency workers (Contractors) providing their services via an intermediary will once again be responsible for determining their employment status, and paying the appropriate amount of tax and National Insurance contributions
- The Annual investment allowance amount will remain at £1m indefinitely
- Start-up companies will now be able to raise up to £250,000 under the Seed Enterprise (SEIS) scheme that gives tax relief to investors. From **April 2023** the criteria for entry has been widened, meaning more companies are eligible
- The amount of shares that can be optioned to employees under the Company Share Option Plan (CSOP) has been doubled from £30,000 to £60,000. This increase will be introduced from **April 2023**

If you want to find out about all changes announced in the mini-budget, you can view them on the Government website [here](#).