



fdservices.io

# BUDGET 2021: KEY BUSINESS ANNOUNCEMENTS

# WHATS NEW IN 2021 BUDGET FOR YOUR BUSINESS?

*key business related announcements*

## BUSINESS RATES

- **50%** cut to rates for eligible businesses in **retail, hospitality and leisure sectors** for **2022-2023**, up to a cap to **£110,000**
- **Rates multiplier** is **frozen** for **2022-2023**.

## ANNUAL INVESTMENT ALLOWANCE (AIA)

- The annual investment allowance will remain at its current level of **£1 million** until **31 March 2023**, instead of ending on 31 December 2021 as planned.
- **AIA** allows companies to deduct qualifying capital expenses from their profits before tax, previously stood at **£200,000** but was raised from **1 January 2019** onwards to encourage investment.

## R&D TAX CREDIT CHANGES

- The Chancellor also announced plans to reform **R&D tax reliefs**, by including **data and cloud costs** as qualifying expenditure, as well as refocusing the reliefs on activity in the UK.
- Details on these changes have not yet been released, but the Government says these will form part of its "further tax administration and maintenance announcements" later in the autumn.

## RECOVERY LOAN SCHEME

- The Recovery Loan Scheme is extended six months until **30 June 2022** for small and medium sized enterprises and from 1 January capped at a finance level of **£2m** per business with the government **guarantee reducing to 70%**.

Please get in touch for a more detailed discussion!

