

Budget summary: Key points from the Spring 2023 Budget

Business and trade

- Main rate of corporation tax, paid by businesses on taxable profits over £250,000, [confirmed to increase from 19% to 25%](#)
- Companies with profits between £50,000 and £250,000 to pay between 19% and 25%
- Companies able to deduct investment in new machinery and technology to lower their taxable profits
- Tax breaks and other benefits for 12 new Investment Zones across the UK, funded by £80m each over the next five years
- Reduced paperwork for international traders, who will also be given longer to submit customs forms under streamlined rules

Economy and public finances

- [Office for Budget Responsibility](#) predicts the UK will avoid recession in 2023, but the economy will shrink by 0.2%
- Growth of 1.8% predicted for next year, with 2.5% in 2025 and 2.1% in 2026
- [UK's inflation rate](#) predicted to fall to 2.9% by the end of this year, down from 10.7% in the last three months of 2022
- Underlying debt forecast to be 92.4% of [GDP](#) this year, rising to 93.7% in 2024

Employment Incentives

- 30 hours of free childcare for working parents in England expanded to cover one and two-year-olds, to be [rolled out in stages from April 2024](#)
- Families on universal credit [to receive childcare support up front instead of in arrears](#), with the £646-a-month per child cap raised to £951
- £600 "incentive payments" for those becoming childminders, and relaxed rules in England to let childminders look after more children
- New fitness-to-work testing regime to qualify for health-related benefits
- New voluntary employment scheme for disabled people in England and Wales, called Universal Support
- Tougher requirements to look for work and increased job support for lead child carers on universal credit
- £63m for programmes to encourage retirees over 50 back to work, "returnerships" and skills boot camps
- Immigration rules to be relaxed for five roles in construction sector, to ease labour shortages

Energy

- Government subsidies limiting typical household energy bills to £2,500 a year [extended for three months](#), until the end of June
- £200m to bring energy charges for prepayment meters into line with prices for customers paying by direct debit - affects 4m households
- Commitment to invest £20bn over next two decades on low-carbon energy projects, with a focus on [carbon capture and storage](#)
- Nuclear energy to be classed as environmentally sustainable for investment purposes, with promise of more public funding
- £63m to help leisure centres with rising swimming pool heating costs, and invest to become more energy efficient

Taxation and wages

- Cap on [amount workers can accumulate in pensions savings over their lifetime before having to pay extra tax \(currently £1.07m\) to be abolished](#)
- Tax-free yearly allowance for pension pot to rise from £40,000 to £60,000 - having been frozen for nine years
- Fuel duty frozen - the 5p cut to fuel duty on petrol and diesel, due to end in April, kept for another year
- Alcohol taxes to rise in line with inflation from August, with new reliefs for beer, cider and wine sold in pubs
- Tax on tobacco to increase by 2% above inflation, and 6% above inflation for hand-rolling tobacco

Other measures

- Commitment to raise defence spending by £11bn over the next five years
- Prison sentences for those convicted of marketing tax avoidance schemes
- £200m this year to help local councils in England repair potholes
- An extra £10m over next two years for charities in England helping to prevent suicide
- Streamlined approvals process promised for new medical products
- £900m for new super computer facility, to help UK's AI industry

Source [click here](#)