



2008 BUDGET SUMMARY

Chancellor Alistair Darling presented his first Budget on 12 March 2008.

As usual, the events at the House of Commons are more of a noisy smokescreen than anything else. The real details have to be extracted from a tangle of press releases – some on the Treasury website, some on HMRC's site. All the main proposals had been pre-announced in one form or another.

Many of the measures outlined in the Pre-Budget report last October were heavily criticised. However, after representations from the business community, many of the original proposals have been amended.

In particular, the proposals to stop the tax savings available from so called "income shifting" of business income between family members have been postponed. The government plans to consult further about these issues, and the start date will now be delayed to April 2009.

Meanwhile, the main propositions from the pre-Budget Report have now been confirmed – as follows;

- The abolition of taper relief and indexation allowance for capital gains tax (CGT)
- The introduction of a flat rate of CGT for individuals of 18%
- A significant change in inheritance tax relief for married couples and civil partners
- Non domiciles to pay an annual charge of £30,000 for their tax advantaged status
- An increase in the car fuel scale charge

You will find more detail in the following summary.