

Spring Budget 2023

Our quick round up of the key tax measures in the Spring Budget

15 March 2023

Business

- **Capital allowances** – new first-year allowances for qualifying expenditure incurred on plant and machinery for three years from 1 April 2023. Full expensing available for main rate expenditure (other than cars or plant and machinery for leasing) with a 50 percent allowance for special rate expenditure. This follows the end of the super-deduction relief.
- **SME Research and Development (R&D) tax relief** – additional R&D credits for loss making SMEs where R&D expenditure is at least 40 percent of total expenditure with effect from 1 April 2023.
- **Investment Zones** – 12 new Investment Zones to be established across the UK which can benefit from specific tax reliefs, proposed measures include enhanced capital allowances and relief from stamp duty land tax, business rates and Employer National Insurance Contributions.
- **Audio visual reliefs** – legislation on the reform of audio visual tax reliefs with a view to changing to expenditure credits to be published for consultation.

Individuals

- **Pensions** - lifetime allowance charge removed and annual allowance increased to £60,000 from 6 April 2023. Lifetime allowance abolished from April 2024.
- **Charities** - charities located outside of the UK will no longer qualify for UK charitable tax reliefs from April 2024.

Employers

- **Informal flexible working** – following the Office of Tax Simplification's report on [cross-border](#) and [UK domestic](#) hybrid and remote working, in Summer 2023 the Government will consult on informal and ad hoc flexible working in order to understand arrangements between employees and employers.
- **Boosting occupational health coverage** – the Government will consult on options for incentivising increased take-up of occupational health provision through the tax system (which might potentially include expanding benefit-in-kind exemptions and a super deduction).
- **Tax-advantaged Share Incentive Plans (SIPs) and Save As You Earn (SAYE) plans** – there will be a call for evidence on 'all employee' tax-advantaged SIP and SAYE employee share plans to identify opportunities for simplification and improvement.
- **Simplification of the Enterprise Management Incentives (EMI) share option regime** – from 6 April 2023 EMI option agreements will no longer be required to state any restrictions that apply to the underlying shares, and the employer will not be required to declare that the option holder has made a working time declaration (though the working time requirement itself will remain). From 6 April 2024 the deadline for notifying the grant of an EMI option will be extended from 92 days following the date of grant to the 6 July following the end of the relevant tax year (existing EMI options exercised on or after 6 April 2023 will also benefit from these changes, but we await draft legislation to confirm what this means).

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