



Spring Statement 2019

What it means to Blu Sky clients

Prepared by

Dave Gibson

23.03.2019

Hi everyone!

Well, bearing in mind where we're at, this could be the most pointless Chancellor's statement in history, so I intend to keep today's debrief, brief.

Just like Phil did, at 26 minutes... It didn't even get a mention on the BBC landing page, and they are usually all over this stuff.



So what happened?

Does anyone care? It's Brexit we're interested in, innit?

On with the show.

Dave Gibson, Cofounder of Blu Sky, Chartered Accountants

Just to confirm, the aim of this document is to highlight the tax changes that may impact Blu Sky clients, rather than provide a broader brush economic or fiscal report.

Short and sweet

Announcements. Or not...

As previously stated, this wasn't intended to be a mini-budget, and Phillip certainly delivered on that promise. There were no specific tax announcements.

There were, however, announcements on some consultations, so we can see where future tax steerage may take us:



- To 'eliminate the continuing scourge of late payments'. There have been initiatives here before, but it feels like there may be some specific regulation coming along. This from the "Party of small business and the champion of entrepreneurs."
- Consultation on a new VAT collection mechanism for online sales.
- Consultation on how to further encourage cashless and digital payments whilst ensuring cash remains in circulation for those who need it.
- Confirmation of wave 3 of the full fibre fund and £25m towards the first 5G test beds.
- Following publication of the Furman review, there will be a response to explore potential solutions to the taxation of the dominant tech giants and update competition rules.
- In terms of the skills gap, innovating businesses will benefit from an exemption for PhD-level occupations from the cap on high-skilled visas from this autumn. Overseas research activity will also count as residence in the UK.
- £80m of funding will be released to support SMEs to take on apprentices.
- The next business rates revaluation is to be brought forward to 2021, then the triannual reviews will begin.
- A Consultation on how the tax system can drive tech and behavioural changes needed for environmental protection and the clean growth strategy.
- There will be 'additional' funding for the British Business Bank, which helps underpin a number of financial initiatives.
- A consultation on practical measurements to prevent abuse of the R&D tax relief system, already identified and referenced in our last budget summary.
- There was confirmation that Making Tax Digital would not be expanded beyond its initial VAT scope and scale in 2019 or 2020.
- A 'call for evidence' to simplify the VAT partial exemption scheme.

The treasury summary can be found on the gov.uk website, if you really want to delve into it... It's a little shorter than Gordon Brown's 600-page documents.

That's all, folks.