

Massive U-Turn on Mini Budget

The Proskauer Tax Blog on **October 18, 2022**

As has been widely reported, a number of the Mini Budget proposals (summarised in our recent [Tax Blog](#)) have been scrapped. The new Chancellor of the Exchequer Jeremy Hunt announced these measures claiming that they are estimated to raise £32 billion in taxes every year. More tax rises and spending cuts are expected to be announced by the Chancellor on 31 October which will be accompanied by Office of Budget Responsibility forecasts.

These include:

- the proposed removal of the 45% additional rate of UK income tax from 6 April 2023
- the proposed reduction of the basic rate of UK income tax from 20% to 19% from 6 April 2023
- the proposed reduction in the UK dividend income tax rate by 1.25% from 6 April 2023
- the cancelling of the planned increase to UK corporation tax, which will now increase to 25% from 1 April 2023 as had previously been intended
- the proposed repeal of existing IR35 legislation from 6 April 2023
- the VAT-free shopping scheme for non-UK visitors.

Some of the previous mini budget proposals that have not been amended include:

- 0% rate of stamp duty land tax on residential properties applying to the first £250,000
- the previously planned health and social levy of 1.25% won't take effect
- the rate of employee and employer national insurance contributions decreasing by 1.25% from 6 November 2022.

Please contact any member of our UK tax group if you have any queries about how this Budget will affect your business.

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