

BUDGET JUNE 2010 – KEY POINTS AT A GLANCE

George Osborne's budget speech on 22 June 2010 included the following highlights:

- VAT standard rate will increase to 20% from 4 January 2011
- Food, children's clothing and other VAT-free items remain exempt from VAT
- Capital Gains Tax rate increases to 28% for higher rate taxpayers from midnight tonight
- Capital gains tax to remain at 18pc for basic-rate taxpayers
- CGT exempt amount remains at £10,100 this year
- Income tax personal allowance increased by £1,000 to £7,475 from April 2011
- Higher rate income tax rate remains frozen until 2013/ 14
- Child benefit to be frozen for next three years
- Child benefit removed from families on an income of more than £40,000
- Benefits to rise in line with consumer prices
- Tax credits reduced for families earning more than £40,000
- Link between basic state pension and earnings to be restored from April 2011
- Pensions guaranteed to rise in line with earnings, prices or 2.5pc, whichever is greatest
- Two-year pay freeze for public sector workers earning more than £21,000
- Levy imposed on banks
- No rise in alcohol, tobacco or fuel duties

The AJB Scholes Budget Report 2010, due to be published shortly, will bring you in-depth coverage of all the main aspects of the budget.