A round-up of Budget non-starters

The Spring Budget has become a victim of the snap election.

Philip Hammond has not had much luck with what he said would be his first and last Spring Budget. His proposal to increase Class 4 national insurance contributions from April 2018 survived only a week before being dropped. Then when the Finance Bill was published in March, he won the dubious accolade of producing the longest ever Bill, at 722 pages. Just over a month later, the early election forced him to cull over half the Bill's contents so that he could push a slim-line consensus version through before Parliament shut up shop.

As a result, several important changes that were pending have now disappeared. For example:

- **The reduction in the money purchase annual allowance from £10,000 to £4,000 from 6 April 2017.** This could have created problems for people who phase their retirement, both drawing pension benefits *and* contributing to a pension.
- **The cut in the dividend allowance from £5,000 to £2,000 from 6 April 2018.**
- **The introduction of making tax digital.** This was due to begin for traders with income above the VAT threshold level from 6 April 2018, with others starting one year later.
- **The pension advice allowance.** There was to have been a new tax exemption from 6 April 2017 for up to £500 per tax year for employee pension advice, paid for by an employer. The old, more restricted £150 allowance now remains in place.
- **The property and trading allowance of £1,000 each from 2017/18.** These new allowances were aimed at keeping small amounts of trading income and property income out of tax.

It seems likely that most of the "lost" legislation will re-emerge in a summer Finance Bill after the election, if the pollsters are right and the Conservatives are returned to power. However, the start date for some measures, such as the money purchase annual allowance cut, may be pushed back to 2018/19 because of the delay in reaching the statute book. Others may be overtaken by fresh proposals, as a new May government would not be constrained by pledges in the *2015* manifesto.

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