

A Budget to Boost Small Businesses

Yesterday the Chancellor announced a number of measures that will be a boost for small business and enterprise. This includes raising the threshold for small business tax relief from £6000 to £15,000, which is expected to benefit over 600,000 businesses. Corporation tax will also be reduced further to 17% by 2020, supporting job creation in over a million firms across the country.

To finance these measures, the Chancellor has continued with his clampdown on corporate tax loopholes that have allowed many large international companies to reduce their tax burdens. In light of this, the Government will introduce a cap on interest deductions so that firms don't over-borrow in the UK to fund activities elsewhere; it will change rules to stop companies using complex structures to avoid tax anywhere or who deduct the same expense twice; and it will strengthen the withholding tax on royalty payments to stop firms shifting money to tax havens. Together, it is estimated that these measures will raise an extra £9bn for the Treasury.

This Budget demonstrates the Government's commitment to build on our positive record of supporting business and enterprise. These initiatives will allow MK to continue to attract even more business start-ups, meaning more investment, more jobs and more prosperity in the local area. But for these initiatives to work, taxes must be paid. I was therefore reassured by the clampdown on corporate tax avoidance, something I know also concerned many constituents.