

## Press Release

24 March 2010

### No Big Tax Rises – yet

Bob Wheatcroft, Tax Partner at accountants Armstrong Watson, comments on today's Budget:

"In the last Budget before the election there was even more of an emphasis on politics than is usual for occasions such as this. The Chancellor gave a robust defence of the Government's economic record and suggested that the country would not be emerging from recession if the ideas of the opposition had been implemented.

"Mr Darling did talk about increases in income tax and National Insurance but the proposals had already been announced in previous statements. The speculation about increases in VAT and CGT will no doubt return later in the year – whatever the outcome of the election.

"There were some limited measures to help the elderly and first time buyers together with some help for industry in the form of investment reliefs and reduced business rates. The green lobby was also not forgotten with the promise of a green investment bank. Nevertheless, the scope of the new measures was much less than is frequently the case at Budget time.

"The main economic emphasis was on the size of the Budget deficit. Here, at last, there was some positive news with higher than expected tax receipts. The figure is still massive, however, at £167bn for the year. The Chancellor set out how he expected the size of the deficit to fall by more than half over the next four years and

it is the credibility of his plans in this area by which the speech will ultimately be judged.

“This is really the crux of the matter with the speech being light on the detail of public expenditure cuts although some plans for efficiency savings were announced.

“In summary, this was a wait and see Budget.

“We will have to wait and see whether the markets and the public have faith in Mr Darling’s plans and projections. If they do, then we will still have to wait for all the details and to see if they are right.”

Bob Wheatcroft’s comment and more detailed information about the announcements in today’s Budget are available on the Armstrong Watson website:  
<http://www.armstrongwatson.co.uk/ournews/budget-2010/492>

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