

# ANNA SOUBRY MP

Member of Parliament for Broxtowe

## NEWSLETTER



*please print this off for a neighbour who isn't on the Internet and please forward it on to someone who is!*

*"she has a record of unusually free speech" Simon Carr The Independent*

*part of "the beating heart of the parliamentary Tory party" Quentin Letts The Daily Mail*

### **Budget Special** **March 21 2012**

Hello again,

I have spent most of the day listening to and then reading the Chancellor's Budget.

I believe it is good news for people living and working in Broxtowe. Of course it is bound to be controversial, that's the nature of politics. I would sum it up in three bullet points

- 1. The rich will pay more in tax** (whatever the spin from the Opposition!)
- 2. The lowest paid will pay less in income tax** (something I urged on the Chancellor last week)
- 3. It backs Businesses in Broxtowe and will help them grow and create jobs**

Obviously there are concerns about changes to the tax system for pensioners and controversy about the reduction of the 50p tax rate to 45p. I also appreciate that many constituents would have liked to see measures to reduce the cost of fuel. I appreciate it may be of little comfort but the Chancellor has scrapped the fuel duty rises planned by the last Government; so although petrol and diesel remain high, they are 6p less than they would have been under the last Government.

I've pulled out some of the Budget detail which I believe is of particular interest to people living in Broxtowe.

#### **Less tax for the lowest paid**

Thousands of ordinary families in Broxtowe will benefit from the increases in personal allowances announced today; it means most basic rate taxpayers will gain £220 every year. Anyone earning under £9,205 will not pay any income tax

something that will benefit two million low paid people in Britain.

As I detailed in my last email I specifically asked the Chancellor to raise personal tax allowances and take more lower paid people out of paying income tax. I'm pleased he's listened to the calls from those of us who urged him this was a measure that would benefit most people in Broxtowe.

### **Child Benefit**

A number of people wrote to me to complain when the Chancellor announced plans to withdraw Child Benefit for anyone earning over £43,250. There was particular concern that it was not fair that a single person earning just over the figure would lose child benefit but a couple where neither earned the maximum but between them had an income of £80,000 would keep their Child Benefit.

Today the Chancellor took a huge step in the right direction in my view.

Child benefit will only be withdrawn when someone in the household has an income of more than £50,000. The withdrawal will be gradual, and only those households where someone earns more than £60,000 will lose all their child benefit. According to George Osborne an extra 750,000 families will keep some or all of their child benefit.

**Overall 90 per cent of families will be eligible for child benefit; only the richest 10 per cent will get none.**

### **The Rich will pay 5 times more tax**

There is bound to be controversy about the reduction in the top rate of income tax to 45p. The Independent Office of Budget Responsibility agrees it only raises a fraction of what was intended. The 5p reduction will mean a loss of £100 million to the Exchequer. But the Chancellor announced new taxes on the richest people which will raise £500 million. So to be clear the rich will pay 5X what they are currently contributing in tax.

### **Pensioners**

In April pensioners will receive the largest ever cash increase in the Basic State Pension of £5.30 per week. However, George Osborne wants to simplify the complex means-tested system and create a new single tier pension, set above the means test for future pensioners. This is currently estimated at around £140 a week. These changes will not be introduced until after 2015 and only after full consultation.

It's important to note that whatever the spin from the Opposition, **nobody will pay more tax in 2013/14 than 2012/13 as a result of these measures and there are no cash losers as a result of the changes. Half of Pensioners will not be affected in any event as they don't pay income tax.**

Age Related Allowances will be frozen from 6 April 2013 at their 2012-13 level until the new system is introduced.

### **More help for small businesses**

The Chancellor said his aim is to change the existing tax system for small businesses with a turnover of up to £77,000 so that their tax will be calculated on the cash going through their business.

### **Military Families**

The operation in Afghanistan is funded by a Government "Special Reserve" which will benefit from an extra £2.4 billion when we leave Afghanistan in 2014. £100 million will be re-invested in service accommodation, the families welfare grant will be doubled as will Council Tax relief to 100% for deployed soldiers based at Chetwynd.

**Two other things that caught my eye**

1. The Chancellor said "I regard tax evasion and indeed, aggressive tax avoidance, as morally repugnant" and went on to announce a new "anti-abuse rule" targeted at artificial and abusive tax avoidance schemes.
2. From 2014 we will all get a details with our tax bill of how the Government spends our money. It follows a great idea from my colleague Ben Gummer MP which I have publicly supported.

As ever I welcome your views and comments,  
With best wishes

Anna

Contact Anna either at the House of Commons, London SW1A 0AA  
or at Barton House, 61 High Road, Chilwell NG9 4AJ  
0207 219 7211 or 0115 9436507

[www.annasoubry.org.uk](http://www.annasoubry.org.uk)  
[Unsubscribe](#)