

The Budget 2009

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The positive aspects of this budget have been overshadowed by the limitation of higher rate tax relief for individual contributions to pension schemes, the new 50% tax band for high earners, and the concomitant increase in the trust rate to 50%.

These changes will undoubtedly encourage those affected to plan their affairs to limit their exposure to this higher rate.

They will seek investment returns in the form of capital rather than income, and for those who are mobile they may take steps to escape the UK tax net altogether.

The changes to HMRC's powers, coupled with a more rigorous and codified penalty regime, indicate a tougher approach to non-compliance.

For the first time "Senior Accounting Officers" (generally finance directors) of large companies will be required to affirm that their companies' systems are "fit for purpose" in delivering the figures in the tax returns, and face individual penalties for failures.

There was the usual raft of anti-avoidance provisions demonstrating the Government's continuing efforts to eliminate contrived tax mitigation schemes.

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- [Employment Taxes](#)
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For more information on any of these news items, or for any press queries, please contact [Layisha Laypang](#), tel 020 7566 3574.

Key People

- [Graham Morgan \(Corporate tax\)](#)
- [Andrew Shaw \(Personal tax\)](#)
- [Adrian Houstoun \(VAT\)](#)
- [Tim Stovold \(Employment tax\)](#)
- [Chris Lane \(Entrepreneurial Businesses\)](#)

Links

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