

Chamber gets what it wants for Small Businesses

Ian Govier, Tax Manager at Grant Thornton, represented the views of Chamber member businesses when he spoke on Radio 4 "The World Tonight" programme on Southampton. The BBC had asked Southampton & Fareham Chamber of Commerce to arrange interviews. Commenting on the measures in the Pre Budget Report announced that day, Ian said: "The Chancellor's Pre-Budget Report contained a number of measures which should be of assistance to small and medium sized businesses."

The measures highlighted by Ian were:-

- The welcome deferral of the planned increase in the lower rate of corporation tax to 22%, together with the proposal to allow struggling companies to pay their taxes over a prolonged period, could have substantial benefits in terms of cash flow management. (See separate item on Tax man shows patience).
- The reinstatement of rate relief for empty business properties with a rateable value of less than £15,000 should find favour with commercial property businesses with surplus empty properties on their books and with businesses that have recently down-sized their operation and have premises now empty.
- The introduction of the ability for companies to carry back trading losses against taxable profits of prior years will be a welcome relief for those companies who after years of profitability, now find themselves in a loss making situation. [Again, this proposal provides a relatively immediate cash flow benefit to those companies.
- The 2.5% reduction in VAT, the mainstay of the Chancellor's proposals, whilst welcome, will only be effective if consumers chose to spend their modest windfall and if retailers pass on the benefits in terms of price reductions.'

The first two measures above are in line with the Chamber's suggestions in its submission to the Chancellor – see front page November Chamber News or our web site under Chamber Viewpoint.

Kristine Salomon-Olsen, Chamber's Head of Representation

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