

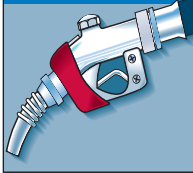
The Budget at a glance

Drinks / Tobacco



Beer	UP	1p per pint
Wine	UP	5p per bottle
Spirits	UP	28p per bottle
Cigarettes	UP	13p per packet of 20
Pipe tobacco	UP	by 4.5% (inflation rate)

Motor fuel



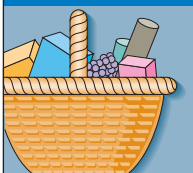
Leaded petrol	UP	7.5% (2p per litre)
Unleaded petrol	UP	4.5% (1p per litre)
Diesel	UP	4.5% (1p per litre)
Road tax (car)	UP	£10 to £110
Road tax (lorry)	–	No change

Income tax



Personal allowance:	Up from £3,295 to £3,445
New tax band:	20% for first £2,000 taxable income
Basic rate:	Remains at 25p
Married allowance:	Wife to have 50% on request
OAPs:	Income support rate £2 single, £3 couple

VAT



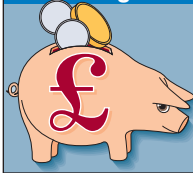
VAT:	No change in basic rate
Threshold:	increases to £38,000 - up £1,800
No penalty for underdeclaration of VAT below £2,000	
Penalty on other VAT debts cut to 15%	
Cash accounting for traders owing £5,000 VAT	

Motor industry



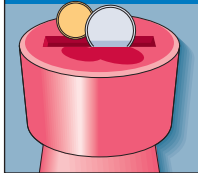
New car tax:	Reduced by half to 5%
Company cars:	VAT to be abolished
Business cars:	capital allowance raised to £12,000
VAT on company cars as part of salary to end	
Tax to be charged on car price not engine size	

Savings



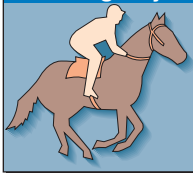
Limit on unit trusts raised from £3,000 to £6,000.
New national savings bond

Charities



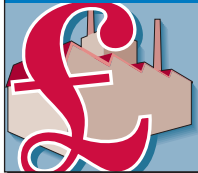
Minimum gift reduced from £600 to £400 from July

Betting levy



Reduced from 8% to 7.75% to help horse and greyhound racing industry

UBR



Increase in line with inflation.
New premises to inherit transitional relief