

BUDGET 2007



Cigarettes:
UP 11p for
packet of 20



Alcohol: Spirits **FROZEN**
Beer UP 1p pint
Cider UP 1p litre
Wine UP 5p bottle
Sparkling UP 7p bottle
wine



**Vehicle excise
duty:** UP to £300
for highest polluting
vehicles, **DOWN** to
£35 for greenest



Fuel duty:
UP 2p a litre
from October.
No VAT on
airline tickets



Income tax:
CUT from 22p
to 20p from 2008.
Top rate threshold
to rise to **£43,000**
by 2009



Pensioners:
Tax allowance
UP to **£9,770**
for under-75s,
£10,000 for
over-75s by 2011



Child benefit:
UP 15%, from
£17.45/week
to **£20/week**
for eldest
child by 2010



**Inheritance
tax threshold:**
To rise from
£285,000 to
£300,000
by 2010

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Source: HM Treasury



Education: Spending to rise to
£74bn by 2010/11. Student debt of **£6bn** to be sold off

NHS: To get an extra **£8bn** for investment and reform in England



Business: Corporation tax reduced from **30p** to **28p** from April 2008. Tax on small business raised to **22p** in the pound by 2009. Small businesses to get up to **£3,000** for training jobless young people. Extra **£6bn** to help people with bankrupt pension schemes



Homes: Capital gains tax allowance up from £8,800 to **£9,200** this year. Allowance for married couples doubled. **Zero carbon** homes up to £500,000 in value to be exempt from stamp duty until 2012. Insulation grants worth up to **£4,000** to be offered to pensioners



Defence: Extra **£86m** for security and counter-terrorism measures. Extra **£400m** for military operations in Iraq and Afghanistan



VAT: To be cut from **17.5%** to **5%** on environmental products for the home; building alterations to help elderly; and anti-smoking aids such as nicotine replacement products

Savings: Amount saved in an ISA up **20%** to **£3,600**