

Other Matters

Child Trust Fund

Every eligible child born on or after 1 September 2002 has a Child Trust Fund account. Family and friends can contribute up to £1,200 into the account each year.

The government will make payments of £100 per year into the Child Trust Fund accounts of all disabled children. Severely disabled children (those who receive the High Care element of Disability Living Allowance) will receive £200 per year. These payments will not count towards the £1,200 yearly contribution limit. The payments will start in April 2010.

Charities: substantial donors

The substantial donor's rules potentially apply to all charities carrying out transactions with their largest donors (where tax relief is available in respect of their donation(s)).

If a charity enters into a specified transaction with a substantial donor the transaction will be treated as non-charitable expenditure which is subject to a tax charge.

Existing legislation defines a substantial donor as a person that makes tax relievably donations of:

- £25,000 or more in 12 months or
- £100,000 or more in a period of six years.

Such a person is treated as a substantial donor of the charity for all chargeable periods falling wholly or partly within that 12 month/six year period, and for a further five chargeable periods. A chargeable period for a charitable trust is a tax year and for a charitable company is its accounting period.

Regulations will increase the threshold of relievably gifts which a person may make before becoming a substantial donor. The relievably gifts threshold of £100,000 in a period of six years will be increased to £150,000 from 23 April 2009. The annual threshold of £25,000 will remain the same.

Landfill tax

Legislation will be introduced to increase the standard rate of landfill tax by £8 per tonne to £48 per tonne. The new rate will have effect for any standard rated disposal of waste made, or treated as made, on or after 1 April 2010.

The Business Payment Support Service

The Business Payment Support Service was launched following the Pre-Budget Report in November 2008. It is designed to assist businesses which whilst viable are currently having difficulties paying tax liabilities due to economic conditions. The aim is to allow businesses to spread payments over a period of time to suit individual business circumstances. This service will continue and in making an agreement with HMRC, consideration will now be factored in where a loss is anticipated for the current period.