

North Devon Conservatives

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Budget response: Labour Government “taxing the many, not the few” *Philip Milton gives his analysis of Government’s tax and spending plans*

Philip Milton, Prospective Parliamentary Candidate for North Devon, today delivered his verdict on the Budget, which sets out the Government’s plans for taxes and public spending. Philip expressed concern at plans to increase taxes on families and local firms across North Devon.

- National Insurance will be increased for workers and for firms. This jobs tax will discourage businesses from hiring staff, cut people’s pay packets, and mean anyone earning £20,000 a year or more will be worse off.
- National debt will double to £1.4 trillion – this is equivalent to £22,500 of debt for every man, woman and child. Taxes are to rise by £1,000 for every family over the next two years.
- Fuel duty is up 2 pence per litre, and will continue to rise by more than inflation for the next four years, increasing the cost of travelling to work, taking children to school and going shopping.
- Alcohol duty, which was hiked up in December, will rise again as part of the Government’s plans to increase the cost of beer, cider, spirits and wine by more than inflation every year. This punishes responsible drinkers and is putting small local pubs out of business.
- Business rates are rising by £1 billion in the middle of a recession. Business rates are the biggest cost for firms after rent and staff costs. Bills have soared for local firms since the beginning of April, and further large hikes are expected next year too.

Philip said:

“In these tough economic times, families and local firms across North Devon are going to pay the price for Gordon Brown’s failings. These aren’t taxes for the few; they are taxes for the many. At a time when people are losing their jobs or facing pay freezes, hard-working families now face smaller pay packets and a higher cost of living thanks to Labour.

“It’s time for change. Conservatives will work to repair our broken public finances and help lead the country out of recession.”

Published and promoted by Sir Richard Peek on behalf of the NDCA, The Strand, Barnstaple, N. Devon
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Notes to Editors

The Budget was published on 22 April.

http://www.hm-treasury.gov.uk/bud_bud09_index.htm

SOARING NATIONAL DEBT

National debt will rise from £609 billion in 2008-09 to £1.4 trillion by 2013-14 (HM Treasury, *Budget 2009*, p.226).

HIKES IN NATIONAL INSURANCE

In November's Pre-Budget Report, the Government announced that employee and employer National Insurance contributions will rise by 0.5 per cent from April 2011. More than half of all workers (anyone earning over £20,000) will be worse off.

HIKES IN FUEL TAX

Fuel duty will go up by 2 pence per litre from September, with a further 1 pence per litre rise above the rate of inflation each April for the next four years (*Budget 2009*, p.165-166).

HIKES IN BEER TAX

In December 2008, duty on beer, cider and wine increased by 8 per cent, and spirits duty by 4 per cent. In the Budget, alcohol duty is increased by a further 2 per cent (*Budget 2009*, p.169) – adding 1p to a pint, 13p to a bottle of spirits and 4p to a bottle of wine.

This is part of the Government's ongoing plans to increase beer taxation by above inflation every year.

Almost six pubs close every day and more than two thousand have been forced to close in the last twelve months alone (British Beer & Pub Association press release, *Chancellor Betrays Britain's Struggling Pubs*, 22 April 2009).

HIKES IN BUSINESS RATES

Business rates are rising by £1 billion in the Budget, a rise of 4.4 per cent (*Budget 2009*, p.231).

Business rates bills have risen by an inflation-busting 5 per cent from April 2009. On top of this, transitional relief from the 2005 revaluation has expired; in previous cycles, transitional relief lasted five years not four; this has doubled or trebled bills for some firms. The Government announced on 31 March that firms will be able to partly defer some of these rises – but firms will just be billed for the increases later.

On top of this, Gordon Brown has slashed back empty property rate relief for commercial and industrial premises, with compounds the effect of the recession when firms have empty property they cannot rent out or sell.

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