

Budget Analysis

27/03/ 2008

This is my budget analysis. I am disappointed that the Chancellor did not amend the abolition of the 10p income tax band. But because of that low-paid NHS workers will pay more tax. Part-time teachers will pay more tax. Soldiers fighting in the heat of Afghanistan will be paying more tax and 5.3m of the lowest paid will be paying more tax.

I would like to have seen the complex business tax allowances scrapped to reduce corporation tax on all businesses and I would have targeted higher taxes on alcohol on those drinks used by binge-drinkers.

Added to this is £110 a year to every family's tax bill. The tax take will be £2.8bn a year higher by 2010 (£110 for every family) – and if benefits are excluded, the tax take will be £4bn higher

The new taxes announced will add up to £1.5bn extra on alcoholic drinks, £1.6bn on drivers (even with the delayed fuel tax rise), and £1.7bn on businesses over the next three years.

Taxes and borrowing are up because they have failed to use the good years to prepare for the bad years. After 15 years of global growth, Britain has the worst budget deficit in the developed world.