1. Introducing a new National Living Wage of over £9 an hour by 2020

From April 2016, a new National Living Wage of £7.20 an hour for the over 25s will be introduced. This will rise to over £9 an hour by 2020.

2. The tax-free Personal Allowance will be increased from £10,600 in 2015-16 to £11,000 in April 2016

The tax-free Personal Allowance – the amount people earn before they have to start paying Income Tax – will increase to £11,000 in 2016-17.

Increases to the Personal Allowance since 2010, when it was £6,475, mean that a typical taxpayer will be £905 a year better off in 2016-17.

The government has an ambition to increase the Personal Allowance to £12,500 by 2020, and a law will be introduced so that once it reaches this level, people working 30 hours a week on the National Minimum Wage won't pay Income Tax at all.

3. Reforming the welfare system to make it more affordable

The welfare system will be reformed to make it fairer for taxpayers who pay for it, while continuing to support the most vulnerable. Changes include:

- working-age benefits, including tax credits and Local Housing Allowance, will be frozen for 4 years from 2016-17 (this doesn't include Maternity Allowance, maternity pay, paternity pay and sick pay)
- the household benefit cap will be reduced to £20,000 (£23,000 in London)
- support through Child Tax Credit will be limited to 2 children for children born from April 2017
- those aged 18 to 21 who are on Universal Credit will have to apply for an apprenticeship or traineeship, gain work-based skills, or go on a work placement 6 months after the start of their claim
- rents for social housing will be reduced by 1% a year for 4 years, and tenants on higher incomes (over £40,000 in London and over £30,000 outside London) will be required to pay market rate, or near market rate, rents

4. Reforming dividend tax

The dividend tax credit (which reduces the amount of tax paid on income from shares) will be replaced by a new £5,000 tax-free dividend allowance for all taxpayers from April 2016. Tax rates on dividend income will be increased.

This simpler system will mean that only those with significant dividend income will pay more tax. Investors with modest income from shares will see either a tax cut or no change in the amount of tax they owe.

5. Taking the family home out of Inheritance Tax

Currently, Inheritance Tax is charged at 40% on estates over the tax-free allowance of £325,000 per person. Married couples and civil partners can pass any unused allowance on to one another.

From April 2017, each individual will be offered a family home allowance so they can pass their home on to their children or grandchildren tax-free after their death. This will be phased in from 2017-18.

The family home allowance will be added to the existing £325,000 Inheritance Tax threshold, meaning the total tax-free allowance for a surviving spouse or civil partner will be up to £1 million in 2020-21.

The allowance will be gradually withdrawn for estates worth more than £2 million.

6. The amount people with an income of more than £150,000 can pay tax-free into a pension will be reduced

Most people can contribute up to £40,000 a year to their pension tax-free. From April 2016, this amount will be reduced for individuals with incomes of over £150,000, including pension contributions.

7. The higher rate threshold will increase from £42,385 in 2015-16 to £43,000 in 2016-17

The amount people will have to earn before they pay tax at 40% will increase from £42,385 in 2015-16 to £43,000 in 2016-17.

8. Corporation Tax will be cut to 19% in 2017 and 18% in 2020

The main rate of Corporation Tax has already been cut from 28% in 2010 to 20%, in order to boost UK competitiveness. It will now fall further, from 20% to 19% in 2017, and then to 18% in 2020, benefiting over a million businesses.

9. The annual investment allowance will be set at its highest ever permanent level at £200,000

The annual investment allowance, which has previously been increased temporarily, will be set permanently at £200,000 from January 2016.

The allowance means businesses can deduct the full value of certain items, including equipment and machinery, up to a total value of £200,000 from their profits before tax. This helps them with cash flow because it means the full tax relief is given in the year items are purchased, rather than over several years.

This permanent increase will help businesses plan their spending on longer-term investments.

10. The Employment Allowance will increase by a further £1,000 to £3,000

Businesses will have their employer National Insurance bill cut by another £1,000 from April 2016, as the Employment Allowance rises from £2,000 to £3,000. The Employment Allowance gives businesses and charities a cut in the employer National Insurance they pay.

This means, next year, businesses will be able to employ 4 people full time on the National Living Wage and pay no National Insurance at all.

11. Restricting tax relief for wealthier landlords

Currently, individual landlords can deduct their costs – including mortgage interest – from their profits before they pay tax, giving them an advantage over other home buyers. Wealthier landlords receive tax relief at 40% and 45%. This tax relief will be restricted to 20% for all individuals by April 2020.

In addition, from April 2016, the 'wear and tear allowance', which allows landlords to reduce the tax they pay (regardless of whether they replace furnishings in their property) will also be replaced by a new system that only allows them to get tax relief when they replace furnishings

12. Making sure individuals and businesses pay what they owe

The government will continue to clamp down on tax avoidance, planning and evasion, as well as increasing resources for HM Revenue and Customs (HMRC) so they can make sure people pay the tax that's due. This includes:

- extra investment between now and 2020 for HMRC's work on evasion and non-compliance
- tripling the number of criminal investigations HMRC can undertake into complex tax crime, concentrating on wealthy individuals and companies
- allowing HMRC to access more data to identify businesses that aren't declaring or paying tax
- clamping down on the organised crime gangs behind the illicit trade in tobacco and alcohol
- stopping investment fund managers from using tax loopholes to avoid paying the correct amount of Capital Gains Tax on their profits from the fund (this is known as carried interest)
- making sure international companies pay tax on profits diverted from the UK
- introducing a 'general anti-abuse rule' penalty and tough new measures for serial avoiders, including publishing the names of people who repeatedly use failed tax avoidance schemes