# Welcome to the May Technical Newsdesk

**Welcomes**

01 May 2018

I’m writing this introduction on 5 April.

Having been a VAT specialist for about 18 years before joining the CIOT, that date was of little practical relevance – save perhaps that it meant that a lot of ‘stagger 1’ VAT returns were imminently due, if they had not been submitted already. Having been the Head of the Technical Team at the CIOT for around two and a half years now (doesn’t time fly?!) 5 April carries much more significance; not so much in terms of our day to day work, but of course to mark the end of the tax year, and the start of a new one. So please bear with me while I reflect a little on 2017/18, and look forward to 2018/19, whilst trying to tie that in with the articles in this month’s Technical Newsdesk!

Many things are worthy of mention in relation to 2017/18, but space permits just a couple. The first goes to the ‘new’ Trading and Property allowances (‘TAPAS’), effective from 6 April 2017. We were delighted that Jeremy Sherwood, who leads the HMRC Head Office team responsible for taxing income from trades, was able to talk about these at the recent CIOT spring residential conference. Whilst these allowances are intended to simplify the tax treatment of small amounts of trading and property income, it is apparent that there will be some complexities. As explained by Will Silsby and Sharron West, there are also record-keeping obligations which need to be observed. Further, (at the time of writing) the HMRC guidance (into which the ATT and CIOT have provided input) has not yet been published. This is one of the concerns we have around HMRC guidance – its timeliness – as explained by Angela Fearnside and Kate Willis. The lack of detailed guidance in some areas can also create a need for other bodies to help out, and Kate highlights the work of the CIOT and other professional bodies, in this instance to produce draft Q&As on aspects of the reforms to the taxation of non-UK domiciliaries.

Another highlight (or lowlight?) of 2017/18 was the issues faced with HMRC's Self-Assessment calculator, and the significant number of exclusions for online filing (OK, for the 2016/17 tax year, but for filing in 2017/18). A number of these exclusions were fixed during 2017/18, but this is surely an indicator of how our increasingly complex tax system cannot easily be programmed into software. Factor in things like the new TAPAS, the proposed Scottish income tax rates and bands, and 'computer says no' could become increasingly common.

As we move into 2018/19 we think about what is ahead, and indeed what could have been ahead. It is hard to believe that, under the original timetable for Making Tax Digital, 6 April 2018 would have been the start date for the Income Tax element of the MTD regime. Margaret Curran brings us up to date with the pilots for MTD, which we are hoping go significantly better than the introduction of the Trust Registration Service, in respect of which John Stockdale and Helen Thornley highlight the potential penalties of late registration. On 25 May 2018, the General Data Protection Regulation (GDPR) comes into effect, giving practitioners something else to familiarise themselves with. The CIOT and ATT have been working on FAQs based on queries we have received, and Jane Mellor tells us where to find these, and further information.

Looking ahead brings me nicely (well, sort of) to the consultations announced at or around the Spring Statement. These include the corporate intangible fixed assets regime consultation, and Emma Rawson/ Sacha Dalton summarise the recent ATT and CIOT meetings with HMRC; the employment status consultation, and Matthew Brown and Helen explain its key elements; changes to Entrepreneurs' Relief in situations where an individual owner loses entitlement to ER because their shareholding is diluted below 5%, and Kate sets out the key elements of the proposals; the call for evidence around the VAT registration threshold, and Jayne Simpson and Emma look at some of the options being considered to mitigate the 'cliff-edge' of registration; and finally the informal consultation around the expansion of the VAT grouping criteria, and again Jayne explains the options being considered. We would welcome your comments on all the above consultations – though be quick as some of them close shortly.

We end this month's Technical Newsdesk with Joanne Walker and Helen reporting on our submissions to the Scottish government's consultations on Land and Buildings Transaction Tax, Victoria Todd and Emma confirming that the tax and National Insurance relief offered through childcare vouchers will remain available to new

applicants for a further six months, and then Victoria provides some important updates on the use of Real Time Information data in the universal credit system.