President's page, February 2019

Welcomes

01 February 2019

Returns time

Welcome to February – with luck spring is approaching. Looking back to last year what turned up was the ‘polar vortex’ so it’s perhaps best if I stick to tax and not weather forecasts!

It’s that time of year when, as well as being busy with self-assessment tax returns, your annual return for the CIOT is due. Thank you to all of you who managed to get your return in on time. This really saves the Institute staff time and all of us the additional cost involved in chasing the few who don’t. If your return is yet to be done it only takes a few minutes.

As I am sure many of you will know, Jean Jesty, Past President of the ATT, passed away on New Year’s eve. Right to the end Jean remained active in both the ATT and CIOT particularly on Professional Standards. Jeremy has said more on the ATT page, and a full obituary will run in the March 2019 issue. Our condolences go to Jean’s family and friends and everyone at the ATT.

I was very pleased to see that HMRC’s Chief, Jon Thompson, is now Sir Jon and Patrick Mears, Chair of the GAAR Panel was made OBE. Congratulations to them both – it is great to see members of the profession being recognised for the contribution they make. The other welcome announcement was that past President Bill Dodwell has been appointed as the new Director of the Office of Tax Simplification. Bill replaces Paul Morton and maintains an amazing run of former members of the CIOT Council who have held this role. I am sure he will do a great job.

Just before the end of last year I spent the day in Swansea together with Robert Lillycorp of South Wales branch as the guest of Terry Filer and her students in the University business school. What an amazing group (including Robert, whose

enthusiasm for the CIOT encouragement of university students is infectious), the level of interest in tax both as a subject and as a possible career was incredible. And not just in the professional firms but also in HMRC to whom some had applied for graduate level entry. It was a great day even if I did feel outclassed and my thanks go to Terry and her students for the warm reception and to Robert for looking after me! I have no doubt that any firm would be better for having such talent – add some experience to the energy, intelligence and enthusiasm and you have an unbeatable combination.

We have just passed the self-assessment return deadline. I file online – as I expect more and more people do each year. On the whole, I find it clear and easy to use and I would recommend it. But there are aspects that I do find annoying – not least the lack of pre-population, for example, of employment details. Also try this next time: complete only the entries that apply to you and nothing else, when you get to the end it will give you a ticking off for numerous errors! When you check this, you find that it requires positive answers to some things and not others. For example, you must tell it whether or not you are blind, but even if you say you have a pension it does not require you to put in an amount. It requires you to say whether you had an underpayment in the previous year in addition to other related confirmations. Why does it not know? Some years ago (when I was still in HMRC) I had failed to put the PAYE from my Revenue salary on my return. All the self-assessment system did was issue a statement asking me to pay the amount that was ‘owing’ plus a payment on account for the following year. Leaving aside the legal rights and wrongs of such a demand what it did not do was flag me for enquiry as to why HMRC had seemingly failed to operate PAYE! When I contacted HMRC to correct this I was somewhat curtly told, in response to my suggestion that how the system had responded was a bit odd, that ‘I was entitled to my own opinion’! While this was, of course, true, it did not mean I was wrong. And this is equally relevant today since, in large part, many of HMRC’s difficulties in tackling PAYE and NIC avoidance have stemmed from the fact that the rules around tax and NIC management do not allow HMRC to recover from, or effectively counteract, its own delay and error. It would be interesting to know how many of the tens of thousands of open cases are going nowhere because HMRC realises that there is nowhere to go due to time limits or some other legal issue that blocks their path?

The CIOT and ATT have moved to their new home at the start of last month. It will take some time for the new office to settle down but the improvement in

accommodation for the staff and ‘drop-in’-style facilities for volunteers is enormous. Also, with much better technology and meeting facilities the new office is a step change in what has gone before. Well done to everyone involved for your hard work.

It is Spring conference time in Cambridge next month – it has a really brilliant programme and I hope to see you there.