ATT Welcome, March 2019

Welcomes

01 March 2019

Scratched record

Spring should hopefully be in the air when you read this Welcome page. You should also be looking forward to the Chancellor's Spring Statement. The timing of this statement, however, means that many of us will be listening with a bit more attention to a statement that is definitely not a Budget.

I seem to recall that the announcement of the new Budget timetable suggested it would mean 'businesses and people face less frequent changes to the tax system, helping to promote certainty and stability'. This change in timetable would also 'help Parliament to scrutinise tax changes before the tax year where most take effect'. I cannot recollect a year when the end of the tax year promises so much at a time when we know so little.

It seems like only yesterday when certain clauses were introduced then dropped from Finance Bill 2017. They then came back in Finance (No 2) Bill 2017, taking effect from an earlier date. I am still confused writing this. It was not helpful and proved very difficult to manage clients' expectations during this period. Anyone who deals with 'non doms' would have had a particularly interesting time.

It is disappointing that certain matters that arose as a result of those changes are yet to be resolved. An example is the complications that arise from trying to implement the mixed fund cleansing rules. As the two-year window draws to a close on 5 April, it seems that many (who want to cleanse their funds) will have to take positions in relation to items that have been drawn to the attention of HMRC by the professional bodies, but which they have been unable to respond to.

Most would agree that the 'in, then out and now in again' nature of passing tax legislation is hardly satisfactory. It was hoped that the introduction of a 'single fiscal

event' would prevent this from recurring. Then again perhaps, as the announcement was made before we had triggered Article 50, we should allow the Chancellor a 'soft landing' with this one. I do not do Budget predictions (it's NOT a Budget!) but one thinks there may just be a hint of 'Budget-y' things in the statement.

Why? You may ask. Well, a synopsis of most of my recent conversations with both clients and colleagues is set out below.

'The Finance Bill received Royal assent on 12 February.' 'Yes, but the UK will leave the EU at midnight on 29 March 2019.'

'Making Tax Digital for VAT will come into effect from April 2019.' 'Really? Is this still going ahead, especially as we Brexit just before then?' (NB: Yes, it is still going ahead!)

'As an individual you should be considering year end tax planning matters such as using your personal allowance, the personal savings allowance, dividend allowance, CGT annual exemption, crystallise losses, pension contributions, gifts, consider ISAs, EIS, SEIS.' 'Interesting, but what's happening with Brexit?'

'Your company may wish to consider AIA maximisation, R&D claims. ATED Returns will also need to be prepared and completed in April.' 'True, but how will Brexit affect all this?'

'Scottish, Welsh, Northern Ireland taxes are worthy of consideration.' 'I know, I know – but the UK will leave the EU at midnight on 29 March 2019.'

I wish I could tell you that I have the answers but I do not. Even the EU produced a 'simplified' document to explain the withdrawal agreement and that came to 60 pages.

Seems we, in all facets of life, are now beginning to sound like a scratched record.

Talking of records, MTD for VAT is definitely coming in. I have been informed reliably that further record keeping simplifications are expected to be announced particularly around petty cash, cash accounting, and the use of supplier statements. At least some people are listening.

I am not going to mention HMRC sending out penalty notices that were not due. No, I am not.

We asked and you provided. Our technical officers have sent your comments on Amendments to Tax Returns to HMRC.

Until May, may I take this opportunity to wish you and Mrs May a Happy Brexit Day.

Jeremy Coker
Deputy President, ATT