Welcome to the April Technical Newsdesk

Welcomes

01 April 2019

I’m writing this introduction on the afternoon of the Spring Statement.

Technical Newsdesk and so you may not be surprised to hear that I held back my introduction so that I could include some commentary on this statement. Though most readers will probably agree that wasn’t really necessary!

But that’s a good thing. We have called for less tinkering with the tax system, and the single fiscal event should help achieve that. The Spring Statement is not intended to be a second Budget, and so in this regard no news really is good news.

OK, it wasn’t completely bereft of new tax announcements, and the Written Ministerial Statement makes interesting reading on a number of counts. Perhaps the most important announcements are around Making Tax Digital; the clear commitment to a 1 April 2019 start date, confirmation of a light touch approach to record keeping and late filing penalties, and (perhaps most importantly) the statement that MTD will not be extended to other taxes (for example Income Tax) or other businesses (for example those voluntarily registered for VAT) in 2020. This in practice should ensure these other taxes/businesses are not mandated into MTD until at least April 2021.

Staying with VAT for the moment, the government announced that they will publish a call for evidence on potential simplification and improvement of the VAT Partial Exemption regime and the Capital Goods Scheme, following on from the recommendations of the Office of Tax Simplification. A policy paper will also be issued, exploring a potential reform to VAT refund rules for central government, with the aim of reducing administrative burdens and improving public sector productivity.

The government has published draft legislation to implement the Structures and Buildings Allowance, which was announced at Budget 2018. The consultation closes on 24 April, so if you have any comments we'd be pleased to receive them before that date! Also published, under the heading 'Tax avoidance, evasion & non-compliance' are two policy papers; a 68-page document setting out the government's achievements in this area, and a 'No Safe Havens 2019' paper, setting out the direction for HMRC's updated strategy for offshore tax compliance.

Looking ahead, a number of consultations can be expected, including a consultation on preventing abuse of the R&D tax relief for small- or medium-sized enterprises, a consultation on the changes announced at Budget 2018 to lettings relief and the final period exemption, which extend private residence relief in capital gains tax, and an operational review of Insurance Premium Tax.

And apart from a few other things that was that. Nowhere near as interesting as this month's Technical Newsdesk...