Welcome to the August Technical Newsdesk

Welcomes

01 August 2019

Thursday 11 July was ‘L-Day’ – the day on which the government publishes the draft clauses for the Finance Bill.

It’s probably fair (and pleasing) to say that this year there were few surprise measures. The Digital Services Tax, off-payroll working rules for the private sector and the changes to Private Residence Relief were already timetabled to commence from April 2020 and so these measures appeared as expected. Consultation had also been undertaken around rules to give HMRC secondary preferential creditor status for particular taxes, tax abuse involving company insolvencies, and the corporate capital loss restriction, and these measures also appear, again effective from around April 2020.

Perhaps what was a surprise was the absence of a number of measures. For instance, the government consulted in 2017, and published draft legislation in July 2018, for a new penalty regime for late submission and late payment of taxes. Much of this regime was originally intended to be in place for the commencement of Making Tax Digital, yet it looks like it could be at least 2021 before this will be introduced. A number of other measures were perhaps notable by their absence, such as around the hidden economy and ‘conditionality’, amendments to tax returns, preventing abuse of the R&D scheme, and the 1% SDLT surcharge for non-UK resident purchasers of residential property – though none of these are ‘off the table’ and we may well see them in a future Finance Bill.

The technical teams of CIOT, ATT and LITRG will be making representations on many of the draft clauses, and if you have any comments please send them to us in the usual way.