ATT welcome, May 2020

Welcomes

01 May 2020

No understating the key message this Spring

I genuinely hope you are doing as well as expected under the current very difficult circumstances created by COVID-19. I am writing this article two weeks before publication, so it may not reflect exactly what is happening when you read it. Certainly, the key message at this time is to ‘Stay at home; Protect the NHS; Save lives.’
This year, I fear that the subject of COVID-19 will feature for several months, if not years, to come, in our work and our lives.

It is good to see that some announcements have been made by Chancellor Rishi Sunak to alleviate the problems from social distancing and self-isolation with regard to ‘furloughing’ of employees and making payments to those of us who are self-employed.

While the amount involved for each employee is based on actual earnings, the figure for the self-employed is based on average profits for the three preceding tax years ended 5 April 2019. I have heard already stories of how some traders are complaining because they understated their profits in some of those years, reducing the amount they could have claimed from the government. It is important as tax advisers that we follow PCRT and help clients to declare the right amount of profits.

Not only must we now consider the health of ourselves and our families, we should also consider how social distancing and self-isolation will affect our livelihood and that of our clients in the short term. I recently read a report that suggests the basic rate of income tax may need to increase after the pandemic has been dealt with, for example.

I am pleased to say that ATT’s Jane Ashton and CIOT’s Helen Whiteman played important roles to ensure that the staff at Monck Street were protected in the early

days of the COVID-19 health crisis and to transition the staff into a new pattern of working from home. This means the staff and other volunteers continue to provide a service to members. With that in mind, I noticed that Branch CPD lectures are moving online. I would encourage you to log in and view those lectures. At some point in the future, I expect that we will return to work as tax professionals and may find the CPD lectures most useful.

I am not making light of the very difficult situation that we find ourselves in, but I would encourage you to use any ‘down time’ (i.e. time not spent working during normal office hours) to ensure that you have fully complied with Membership of the Association or Institute. This includes bringing your CPD record up to date, including any online lectures viewed, or filing an outstanding 2019 Annual Return.

I should also mention the UK Budget on 11 March. In that Budget, Northern Ireland was promised an extra £210 million for public services: £138 million on infrastructure and £77 million for ‘day to day’ spending. There was no mention of a reduction or abolition of air passenger duty (APD), especially in the wake of collapse of Flybe.

Since the national Budget, Northern Ireland has received its local Budget on 31 March.
The Minister of Finance, Mr Conor Murphy MLA, has:

- set aside £370 million in grants to support some 30,000 businesses so they can continue to pay their employees;
- reduced business rates by 18%. This was not as a direct consequence of COVID-19 but may now be quite important to businesses, especially when coupled with a three month holiday; and
- frozen domestic rates, and coupled this with a similar three month payment holiday.

The three month payment holiday is very important; it gives businesses and individuals breathing space to manage their affairs before the government makes payments under the Job Retention Scheme for employees and the Self-employment Income Support Scheme for unincorporated businesses.

You may recall that changes to the treatment of ‘off-payroll workers’ was due to change with effect from 6 April 2020, but the implementation date was delayed by 12 months due to the ongoing COVID-19 crisis. I wonder if the introduction of the

VAT domestic reverse charge (DRC) for businesses in the building and construction industry, which has already been deferred once to 1 October 2020, will be deferred again for another 12 months. By that date, businesses may be trying to build the economy again following these very difficult months.

It is important to repeat the message – Stay at home; Protect the NHS; Save lives.

I hope to see you all again soon.