Finance Bill 2020: business as usual

General Features

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The CIOT, ATT and LITRG are providing briefings to MPs on the Finance Bill as part of our organisations' objectives to advance public education in taxation, helping to make tax legislation more workable and the information available to taxpayers and their advisers clearer.

Once again, the CIOT, ATT and LITRG are providing briefing material to MPs considering the current Finance Bill. Our briefings on this Finance Bill focus, as usual, on a range of topics including digital services tax, private residence relief and off-payroll working.

Things are, however, a little different this year. When, during second reading debate, Scottish National Party spokesperson Alison Thewliss raised LITRG's concerns about a pensions tax injustice suffered by many low earners, she did so not from Parliament's familiar green leather benches but from her home in Glasgow, via video link.

There will be no Committee of Whole House stage for the Bill this year. The Finance Bill Committee will sit via a virtual meeting rather than in its usual place on the Palace of Westminster's committee corridor. And by the time the Finance Bill returns to the floor of the House for its report stage in late June or early July, provision for remote voting is expected to be in place.

But for all that Parliament is working in unusual ways, and attention is focused on the response to COVID-19, the need for effective legislative scrutiny remains, and CIOT, ATT and LITRG technical and external relations teams will work to support it.

Why do we do this?

First and foremost, we are pursuing our mission to advance public education in taxation. This is not just about providing an educational framework for tax professionals, it is also about increasing general understanding of tax matters by

non-specialists and, in particular, being available for consultation by legislators whose feedback shows how much they appreciate our support. Not many bodies are in a position to provide accessible, tax technical briefing, so if we did not do this it would leave a big gap. Although a few of the clauses each year are highly political (we tend to take a step back from these), most are fairly technical and our briefings supplement the official explanatory notes in enabling MPs to understand what they are discussing.

Second, while it is rare that we get policy change at this late stage, we do often succeed in eliciting – via the 'probing questions' we suggest – clarifications from ministers that will be helpful in interpreting legislation; for example, putting it on the record that a particular measure is not intended to catch certain groups, or commitments to spell particular things out in guidance.

Third, there are sometimes occasions where, even if we do not get movement or clarification, it is helpful simply to put on the record the concerns that tax professionals have about particular measures – be it their complexity, their scope or our doubts about whether they will be effective in achieving the aims set out for them. At the very least, doing this shows government – ministers and civil servants – that we should be taken seriously. If they know that we are unhappy with a piece of legislation, the minister will get challenged about it by MPs and will be more likely to take our concerns seriously the next time we raise them.

All of this is done for the same reasons as the rest of our technical activity – in pursuit of a simpler, more workable system for taxpayers, with greater certainty and minimal administrative burdens, ensuring that the interests of both represented and unrepresented taxpayers are considered, and that there is a fair balance between the powers of tax collectors and the rights of taxpayers.

How do we do this?

Since 2014, we have been invited by the Finance Bill Committee to make formal submissions to the Committee, which are published along with other committee evidence. Additionally, we often provide less formal briefing – both oral and written – for MPs that want it. This year we held a virtual briefing for the new Labour Treasury Team at their request, at which a joint CIOT/ATT/LITRG team ran through the full contents of the Bill, highlighting areas of interest or concern and answering questions.

We are, of course, strictly politically neutral. Our briefing at this stage is primarily used by shadow ministers. But ministers and their civil servants will have been recipients of far more submissions from us (sometimes 200 plus in a year) during the earlier stages of the policy process. And we work hard to ensure that nothing we put in a briefing comes as a surprise to the government – most concerns will have been expressed in earlier consultations, or at least communicated to ministers at the same time as to other MPs.

Of course, not every briefing note we provide is cited, and not every point raised in discussions on the Bill receives the response we would hope for. Overall, however, the work put into supporting Finance Bill scrutiny by our technical officers, Committee Chairs and external relations team is worthwhile, not only raising the profile of the CIOT, ATT and LITRG but helping to improve the quality of parliamentary debate and ultimately, alongside our other technical work, helping to make tax legislation more workable and the information available to taxpayers and their advisers clearer.

Regular reports on the Finance Bill's progress appear on the CIOT website blog.

Our Finance Bill briefings will also be available on our websites as soon as they have been accepted into evidence by the Finance Bill Committee.