What we have done

Indirect Tax

02 October 2015

We have made a number of submissions during the last few months and are working to finalise others.

Public consultations	
SLfT Guidance for contaminated soil	The Environmental Taxes Working Group assisted the Scottish Technical Committee to respond to the Scottish Government consultation on the Scottish Landfill Tax guidance on contaminated soil on 17 July 2015.
Welsh Landfill Disposals Tax	This submission, in response to a Welsh Government consultation, was mentioned in issue 2/15 and was made on 19 May 2015.

Non-public submissions – only available to members of sub-committees	
Excise duty: warehouse approvals	We have written to HMRC concerning certain problems relating to warehouse approvals.

Zero-Rating: Live work units	We wrote to HMRC concerning the availability of zero-rating for live-work units on 22 May 2015 and received a prompt but disappointing response on 29 May 2015. We want to do a further follow up and to assist us in doing so we would appreciate it if members could provide some evidence on the impact of HMRC's policy. Please provide details to indirecttax@ciot.org.uk .
Property issues – draft Revenue & Customs Brief	On 3rd August we wrote to HMRC providing comments on draft RCBs covering buildings that form dwellings, permitted development, facades and annexes

HMRC Powers: Penalties, Compliance Checks and Reviews

The CIOT & ATT recently published the results of their member survey into HMRC Powers: Penalties, Compliance Checks and Reviews. The survey ran during February 2015 and asked questions about the operation of HMRC's powers in practice. The survey revealed that the current system is not operating as well as the CIOT & ATT had hoped it would be, particularly with regard to how HMRC apply behavioural penalties. Responses indicated that there is an inconsistency of practice within HMRC in this area, with many comments suggesting that there is too great a readiness by HMRC to assume failure to take reasonable care rather than innocent error for which there would be no penalty. The survey also reveals concerns about how suspended penalties are offered and suggests that HMRC practice can be inconsistent in this area as well.

Many responses reflected concerns about the proportionality and fairness of late filing and late payment penalties, which supports the need for HMRC's current review of penalties. Responses also indicated a high degree of scepticism of the usefulness of the HMRC's internal statutoryreview process, whereas experiences of HMRC's Alternative Dispute Resolution service were generally very positive.

A copy of the report, together with the full survey results (which form an appendix to the report) can be found here.

*** Restricted access to submissions**

Some of the work we do is confidential as HMRC may want input from professional and other representative bodies but do not want the material published widely. We also prepare proactive submissions and these are usually not published on the public part of our website because it is only fair to allow HMRC to respond to issues before doing so. Confidential submissions are published on a part of the CIOT website entitled “Non Public” which is password protected. Please note that these documents are confidential and should not be shared with others unless authorised.

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