Presidents praise input into Finance Bill

Briefings

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The CIOT and ATT presidents have& ;praised the input of the organisations' technical teams into the current Finance Bill, saying it has made significant improvements to the quality and workability of the legislation.

CIOT President Peter Rayney said: 'The work of our technical staff and committees mostly takes place below the radar, in online meetings and preparing detailed responses to consultations, but& ;the value of it is clear in the Bill now being debated by MPs. On areas from uncertain tax treatment to capital gains tax on mixed use property, our input has resulted in notable improvements to the legislation, to the benefit of taxpayers, their advisers and HMRC too.'

ATT President Richard Todd agreed, saying: 'The government has a good consultation framework which, so long as it is followed, enables ATT, CIOT and others to feed in the concerns of tax professionals where our knowledge suggests to us that proposals are flawed or could be improved. Our advice is not always heeded, and there is plenty in the final Bill for us to criticise, but there is also plenty we can point to as evidence of the value of our technical engagement. All involved in this work, staff and volunteers, deserve great credit.'

An update on the progress of the Finance Bill and scrutiny of it appears in& ;this month's Technical Newsdesk.

Some Finance Bill 2021-22 successes

- **Notification of uncertain tax treatment:** Following representations from CIOT and others, the number of 'triggers' in the definition of what is an uncertain tax treatment was reduced from seven to two by HMRC, making the legislation significantly more workable.

- **Basis period reform:** The government’s decision to defer this change until April 2024 to allow more time to implement followed representations to this effect from ATT, CIOT and LITRG.
- **Emergency relief powers:** ATT argued in a Budget submission that it& ;should be easier for the Treasury and HMRC to quickly put in place exemptions from benefit-in-kind charges in relation to employer-provided tests for infectious diseases in the future. We were pleased by clause 98 of the Bill, which enables such exemptions and wider temporary modifications of taxation of employment income to be made by regulations going forward.
- **Residential property developer tax:** The government listened to our call for aligning the new tax with corporation tax mechanisms and using existing statutory tax definitions as far as possible.
- **Economic crime levy:** Firms with less than £10.2 million in annual UK& ;revenue are exempt from this levy, which otherwise must be paid by all firms regulated for anti-money laundering purposes. CIOT and ATT had pressed for this to be the case in the 2020 consultation, arguing that small firms already bear a disproportionate cost in relation to AML compliance.
- **Capital gains tax reporting window:** During an Office of Tax Simplification consultation in 2020, ATT, CIOT and LITRG all argued for an increase in the time allowed for reporting capital gains tax on residential property disposals from 30 days. OTS recommended an increase to 60 days and this is legislated in the current Bill.
- **CGT and mixed-use property:** Following representations from& ;CIOT, changes were made to& ;the legislation to clarify mixed& ;use& ;property rules.& ;This is to& ;ensure that where a gain arises to& ;UK residents in relation to a& ;mixed& ;use& ;property,& ;only the portion of the gain that is the residential property gain is to be reported and paid& ;in line with these deadlines.
- **Dormant assets:** CIOT comments on the draft legislation concerning the CGT treatment of assets applied to the expanded Dormant Assets Scheme were reflected in the final Bill.