July: Technical newsdesk

Welcomes

21 June 2022

This month’s Technical Newsdesk covers a relatively small amount of topics, although they address some fundamental issues which affect us all. These represent just part of what the technical teams are currently focused on. We provide regular updates on all our work in the ‘latest news from CIOT/ATT’ emails, circulated on Tuesday afternoons. I would like to expand on a few other topics.

HMRC service levels

While performance has improved over recent months, for which HMRC deserve credit, contact from members shows that problems persist in many areas. Unfortunately, at the time of writing, very little recent HMRC performance data is available. The HMRC service dashboard (currently being trialled) has only been updated once in about four weeks, and the latest HMRC monthly performance report is for February 2022. Our regular meeting with HMRC senior staff, where we discuss performance issues, has also recently been deferred. My take on this is that HMRC are critically examining the processes for obtaining performance data, and its accuracy. We have encouraged HMRC’s moves to improve transparency but such good intentions are undermined if the information provided is inaccurate.

In the meantime, we have been reviewing the suggestions provided by volunteers about where HMRC’s systems could be improved. We are already in discussion with HMRC about some of the issues raised. We have also reviewed all the suggestions and are considering the appropriate next steps. If you have ideas of your own, please send them in.

Making Tax Digital

I cannot let a month pass without mentioning Making Tax Digital (MTD). Credit must go to the HMRC team responsible for its delivery, as they are ‘reaching out’ for our input more than ever.

However, what is becoming increasingly clear, and I think is finally being recognised by HMRC, is the scale of the task ahead – particularly the extension to Income Tax Self-Assessment (ITSA) – and hence the pressures on timescales. MTD for ITSA becomes compulsory in April 2024, yet many issues – such as the requirements for joint owners of properties, and multiple agents – are still to be resolved. The pilot is in very early stages, with HMRC carefully managing its expansion to ensure that it can adequately support those taking part. We continue to discuss the position internally, with volunteers and with other professional bodies, and will consider joint representations to HMRC and ministers where appropriate.

Covid compliance

For many members and their clients, the Covid support schemes are a thing of the past but for some they continue to bring challenges. For example, while the Coronavirus Job Retention Scheme (CJRS) ended on 30 September 2021, businesses are required to correct errors in their claims. This can put agents in a difficult position, such as where they uncover errors during reviews or audits, but the business is reluctant to accept this – after all, the scheme was complex, changed many times during its limited lifetime, and they did the best they could. We have already produced guidance for members in this area (tinyurl.com/2p9e5af7) and we continue to work with HMRC on additional guidance to clarify which calculations and methods give rise to errors that need correcting, and those which do not. We will publicise this when it becomes available.