UK Property Reporting Service: latest news

Management of taxes **Personal tax**

22 August 2022

ATT and CIOT have received answers from HMRC to some of their concerns about capital gains tax on the UK Property Reporting Service.

Further to our article in July's *Tax Adviser* 'UK Property Reporting Service: ongoing issues', the ATT and CIOT have received some answers from HMRC to concerns raised at the start of this year.

HMRC have now confirmed that where a property return should have been filed in-year but this was not done, **a paper return must now be filed** – even if the disposal has subsequently been reported (and the CGT paid) via self-assessment. Although there are some limited circumstances where a tax return can replace a property return, in general the submission of a self-assessment return including the property disposal does not satisfy or remove any in-year reporting requirements. Retrospective property returns must be done by paper, as the online system will block the submission of a property return once a self-assessment return has been filed. We are still in discussions with HMRC over whether such late returns will be penalised.

We have confirmed with HMRC that late filing daily £10 penalties (under FA 2009 Sch 55 para 4) are not imposed by HMRC for late property returns under the CGT on UK property disposal service. HMRC point out that this has always been the case in respect of the service.

Paper returns (form PPDCGT) must be requested from HMRC by phone. HMRC are expecting to revise the current paper form shortly so agents must be careful to ensure that they have the correct version. HMRC have been unwilling so far to provide a downloadable version of the form on the grounds that the service is digital by default. The ATT and CIOT have formally written to HMRC to request improved

access to the PPDCGT, given the range of taxpayers who are excluded from the online service. Indeed, in our short survey, members expressed a clear preference for a downloadable form to be available.

HMRC's manuals now confirm that where an overpayment has arisen on a property return, if it cannot be offset against other self-assessment liabilities, taxpayers or their agents **must** contact HMRC to recover the overpayment, otherwise it will remain on the taxpayer's CGT account. It is possible to submit bank details via the online service, but only as a separate document via the upload facility. We have asked HMRC to improve their guidance in their manuals and on the service as a number of members have found this unclear.

We are still awaiting an update on the telephone authorisation route for digitally excluded clients who cannot complete the digital handshake.

We have also raised the lack of guidance for non-resident portfolio investors in UK rich property collective investment vehicles.

More detail on all of these points, together with the latest information we have on the service, can be found in the ATT User Guide (which is available at www.att.org.uk/UKCGT).

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