CIOT President's page: No choice but to continue

Welcomes

23 August 2022

It might seem like it was an age ago but it’s my first opportunity here to congratulate all those who passed their CTA and ADIT exams. Exam results day is memorable for many as it brought the news that they had jumped a major academic hurdle. I hope to welcome you all as members and meet you in person at an admissions ceremony. Congratulations. For those who still have more to go, stick at it and the very best of luck.

Passing your CTA exams is no mean feat. It is no surprise that preparing and studying towards the qualification can really get on top of you. You should all be proud of your achievements – pass or fail. Why? Well, finding the time to engage with all that material and studying, whilst holding down a job in the profession and juggling the many other things that we all have going on in our lives, requires a lot of persistence and dedication. So, a super well done.

The holiday period reduced my Presidential duties a little, allowing me some relaxing long weekends away from the day-to-day presidential pressures, something we all need. I hope if you got away or took a break you managed to enjoy some of the rather warm weather!

The holiday period also allowed me to dedicate a bit more time to my role as an RSM tax partner specialising in employment related taxes. As often happens at this time of year, HMRC and HM Treasury issued a number of consultations, and responses to previous consultations, so there was no shortage of reading. I feel sorry for our technical officers who have had to wade through them, catch up with those on their committees to seek views, and make sure we get responses in on time when I am sure, like the rest of us, they are also in need of a break.

One that caught my eye was on employment status. We finally had the response to the consultation that was issued in February 2018 – it's taken four years, although to be fair there was the small matter of a pandemic in the meantime. I have to say, however, that I was disappointed. The government has said there will be no legislation to improve the clarity of the employment status tests, nor alignment between rights and tax at this time, even though this was one of the Taylor review recommendations way back in 2017.

Instead, the government has stated it 'will work closely with stakeholders to explore longer-term options to improve the employment status system for tax to ensure it is as clear as possible and usable for all parties'. This is not something that should be forgotten about, especially as it impacts the off-payroll working rules as well.

We can only hope that this does mean active discussion now and not further delays and obfuscation. Interestingly, the proposal to align tax and employment law was somewhat overshadowed by another of the Taylor Review's related recommendations. 'The level of NI contributions paid by employees and self-employed people should be moved closer to parity', endorsing a similar proposal in Spring Budget 2017, but one that, in the event, was not proceeded with. That said HMRC suggested the same recently when attending a Public Accounts Committee meeting so we must wait for the next instalment.

In the meantime, therefore, we have no choice but to continue to live with a system that is, at best, opaque, engenders uncertainty and, at worst, leads to inconsistency and inequity.

A couple of closing thoughts from me. First, please spare a thought for those who have been training over this long hot summer (and I am sure longer) for the Kilimanjaro trek challenge in aid of charities TaxAid and Tax Help for Older People. This is a 'tax hike' with a difference, not least because it is one that tax charities will welcome and those on low incomes benefit from in the long term. I wish the brave group taking on this challenge the very best of luck and hope they go well.

Lastly, it is National Inclusion Week from 26 September to 2 October. This year's theme is 'Time to Act: The Power of Now'. As feeling 'included' is a key aspect of all our lives, I ask you to think about what you can do to help, even if it's just a very small thing. In this context, every little certainly helps.