Spotlight on the ATT Consultation Responses

Briefings

23 August 2022

For this month's spotlight, we are looking at a particular aspect of the work carried out by the ATT technical team – responding to consultations. This is one of the more formal parts of the role since it generally involves producing a written report, setting out the ATT's comments regarding a specific area of tax where the government is seeking views.

The consultations we respond to are usually issued by either HMRC or HM Treasury – or sometimes both. They can cover any area of tax and range from early stage consultations calling for evidence about a particular problem or issue, through to final stage consultations on a policy to which the government is committed and where there may already be draft legislation. In our responses, which need to be in line with our charitable objectives, we seek to reflect members' views and concerns about the issue in question and to highlight potentially unintended consequences or aspects which we think could be difficult to operate in practice.

Obviously, the earlier in the policy development stage that we can get involved, the better the chance we have of influencing the outcome. All our consultation responses can be found on the ATT website at www.att.org.uk/technical/submissions .

Some recent examples of consultations we have responded to include:

- **Potential reforms to capital allowances regime**: This was a wide-ranging review on the future of capital allowances. In response, the ATT called for more consideration to be given to simplifying capital allowances for small businesses. See www.att.org.uk/ref397.
- **Online sales tax:** The government was looking for views on the consequences of introducing an online sales tax. The ATT considers that the proposals were

not the best way to achieve the policy aim of funding a reduction in business rates, and should be reconsidered. See www.att.org.uk/ref395.

- **ITSA registration for self-employed and landlords:** We were grateful to a number of ATT members who attended various HMRC roundtables to discuss proposals to change self-assessment rules prior to the submission of our written response. Our conclusion was that taxpayers would be best helped by HMRC focusing on improving their IT systems and processes, rather than changing the nature of the obligations. See www.att.org.uk/ref392.

In addition to consultation responses, the ATT also submits other written representations, including:

- **Budget representations:** In advance of the Budget and other fiscal events, we submit suggestions for improvements to the tax system. Recent representations include a call for an extension to the Covid testing benefit-in-kind exemption.
- **Finance Bill briefings:** Here, we are focusing on the detail of the Bill. For example, we consider whether the legislation does what the government intends and it is clear how the law should operate or if there are gaps, unintended consequences or contradictions.

A list of the consultations which we are currently working on is available on our website at www.att.org.uk/technical/consultations and feedback to: atttechnical@att.org.uk is always very welcome. In all of these responses, the views and comments we receive from members are invaluable as they help to ensure that our responses to HMRC reflect the views of our membership and are informed by members' practical experiences. Only by making well-considered submissions and contributions can we hope to influence the development of tax law and practice.