Welcome from the editor-in-chief, October 2016

Welcomes

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Textbook cases?

Toilet rolls, whisky, a pop star and an English goalkeeper all come to mind when I think back to the tax cases of my exams. One of the golden mantras that I regularly remind clients today is that there are often nuances to a case that only make it applicable to the scenario before the court.

Capital allowances is one area of tax where the case law has found its way into defining the statute and new cases are always of interest to see how uses of similar assets might be applicable.

The decision in *Telfer* is something of a textbook case for addressing three key principles of capital allowances law. Capital allowances for plant and machinery may be available for employees, but first principles concerning the definition of plant must still be considered. Ray Chidell considers the case and argues that HMRC may be overstepping the mark with some of the restrictions on claiming allowances.

There are also verdicts that sit in our case summaries that divide the commentators. Keith Gordon revisits the validity of £10 daily penalty notices for late tax returns. He considers that in the case of Donaldson the Court has taken a wrong turn. He highlights that according to statute, a penalty notice has to convey certain information and that it is inadequate to point to earlier (or even later) documents that might have included certain pieces of the jigsaw puzzle.

New business activities give us the opportunity to consider how previous case law might be applicable. Some emerging trades come from land diversity. Julie Butler considers the tax implications of glaming and wedding operations.

A debt due to the crown

VAT charged on a sale that is not taxable is not classed as output tax but would still be a debt to the crown, so HMRC will seek to recover this tax from the supplier. Protection is given to customers in many situations when they pay tax in good faith and claim input tax. Neil Warren considers practical examples of how HMRC will deal with VAT incorrectly charged on sales invoices that is not declared on returns.

Survivors’ stories

The sister charities TaxAid and Tax Help for Older People help unrepresented people who can’t afford professional fees to solve their tax problems. Julie Cameron highlights some personal tax issues arising from bereavement and explains how the two tax advice charities helped to resolve them.

A harsher environment

HMRC continues to tackle tax avoidance in many ways including court challenges, accelerated payment notices, follower notices and penalties. Helen Adams and Rebecca Hartley consider HMRC’s ongoing steps in tackling tax avoidance and the forthcoming Serial Tax Avoidance legislation.