CEO's welcome: Our 2023 Budget representations

Welcomes



24 February 2023

Every Finance Bill, CIOT, ATT and LITRG provide briefing notes, suggested amendments and other representations to the MPs debating the legislation.

How many Budgets did we have in 2022? The correct answer is of course zero, despite it sometimes feeling like there was a fiscal event every other week! It is a remarkable fact that, at the time of writing, only one of the most recent five chancellors has actually presented a Budget (Rishi Sunak having managed three in his two and half years). But Jeremy Hunt will add himself to that number on 15 March and we'll all be waiting with bated breath to hear what he announces.

Our technical teams have been taking advantage of the pre-Budget consultation period to set out some of the things we would like to see in the Red Book. For ATT, this includes extending tax reliefs on training costs to cover self-employed people who retrain in a new trade and increasing out of date mileage allowance rates. CIOT's representations include a call for the government to review repayment

interest rates. Is it really fair that HMRC charges interest on late payment at the base rate plus 2.5%, while it pays out interest on repayments at the base rate minus 1%? There is more on these and our other reps in the Technical Newsdesk (see page 39).

After the Budget, of course, will come the Finance Bill. While the chancellor will no doubt throw in a few late surprises, we actually have a pretty good idea already of much of what will be in there: among it, legislation to implement a global minimum rate of tax of 15% (OECD Pillar 2); reforms to R&D tax relief; a new system for alcohol duty rates; and, because no Finance Bill is complete without a new tax, legislation introducing the electricity generator levy. On the welcome side, we should see legislation to change pension relief to address the 'low earners anomaly' affecting those in net pay schemes, which LITRG have campaigned so hard to make happen. On the unwelcome side, the bill will formally abolish the Office of Tax Simplification.

Every Finance Bill, CIOT, ATT and LITRG provide briefing notes, suggested amendments and other representations to the MPs debating the legislation. We do this primarily to support the scrutiny process, in line with our public benefit objectives, but also because doing this can sometimes obtain helpful answers and clarifications, and because we think there is value in putting on the record the concerns that tax professionals have about particular measures – be it their complexity, their scope or our doubts about whether they will be effective in achieving the aims set out for them. If officials know that, if we have concerns with a piece of legislation, the minister will be challenged about it by MPs, that encourages them to take our concerns seriously in future, and hopefully to act on them before final legislation is published.

Finally, a first. The first parliamentary select committee report on tax produced by a committee chaired by a Chartered Tax Adviser – the parliamentarian in question being Lord Leigh of Hurley, and the report being the Lords Economics Affairs Finance Bill Sub-Committee report on 'Research and development tax relief and expenditure credit', published on 31 January. May it be the first of many. You can read Lord Leigh's personal views on the report on page 10.

If you want to ensure your knowledge is up to date after the budget, the dates of the ATT Annual Conferences have just been announced. They are 19 June, 21 June and 29 June. Rebecca Benneyworth will be giving a Topical Tax Update and this will be followed by our Technical Officers presenting on Basis Period Reform, Capital Taxes

Update and the HMRC Enquiry Lifecycle. The 29 June conference will be a face to face session and the other two will be held online. If you want to attend the face to face session, we recommend you book early as spaces are limited. Details are at: www.att.org.uk/news-events/events/att-annual-conferences-2023.