Tax Administration and Maintenance Day

General Features



24 May 2023

Tax Administration and Maintenance Day saw the launch of several important consultations, and government responses to previous consultation exercises. We report on these briefly below and we welcome your opinion on the proposals.

While not the most dynamic sounding of titles, Tax Administration and Maintenance Day (or TAMD for short), is establishing itself as an important day in the tax calendar. Announcing that TAMD would be on 27 April, Victoria Atkins MP, the Financial Secretary to the Treasury, said: 'This will outline the action the government is taking to simplify the tax system, tackle the tax gap and modernise the tax system' (tinyurl.com/59usuekh).

On the day itself, those objectives, no doubt tweaked to reflect the announcements therein, became: 'the government is setting out further technical tax policy proposals that support its ambition to simplify and modernise the tax system, tackle non-compliance, make the tax system fairer for taxpayers and to make the customs

system work better for traders' (tinyurl.com/ycxdf34y).

Simplification and modernisation of the tax system

The government made eleven announcements under this heading, across a range of topics, including the launch of seven new consultations:

- Extending and simplifying the Help to Save scheme;
- HMRC's information and data-gathering powers and taxpayer safeguards;
- A new legislative approach to 'pilot' tax changes;
- The customs treatment of post and parcel exports;
- Tax treatment of Decentralised Finance lending and staking;
- Modernisation of the Stamp Taxes on Shares framework; and
- Introduction of a new type of investment fund: the Reserved Investor Fund.

Two further consultations (Diverted Profits Tax, transfer pricing and permanent establishment reform, and the VAT Terminal Markets Order legislation) will also be launched. The government will continue to engage with the charities sector to improve the way that Gift Aid works in order to minimise administrative burdens.

The government also published its response to HMRC's consultation on 'data gaps'. It intends to progress the proposals where it considers that data is already held by individuals and businesses, such as self-employed start/end dates, employee hours worked, and dividends paid by owner-managed businesses.

Tackling the tax gap

Seven announcements fell under this heading, including the launch of three consultations:

- Tackling promoters of tax avoidance;
- Construction Industry Scheme reform; and
- Charity sector compliance measures.

Two further consultations (Tackling non-compliance in the umbrella company market, and Employee Ownership Trusts) will also be launched.

The government also published its response to HMRC's consultation on modernising tax debt collection from non-paying businesses, announcing plans to further

investigate the approach to modernising HMRC's powers in this area, such as taking control of goods and direct recovery of debts from digital wallets. It also published details on the new regime for repayment agents.

Everything else

In a wrap-up of other matters, the government issued a consultation on a potential legislative change to address the over-collection of tax in relation to non-compliance with the off-payroll working rules, and announced that it will consult on elements of the plastic packaging tax.

It also published a report setting out how it has delivered on the commitments it made to help build and maintain public trust in the tax system, and an update to HMRC's programme of evaluations of measures and reliefs. It will also set out steps to provide parents with a retrospective national insurance credit to preserve entitlement to the state pension.

A 'collections' page summarising the above, with links to each of the individual announcements, can be found on gov.uk (tinyurl.com/ytfz5p2p).

Reflections on the above

Having heard rumours of 'massive tax simplification plans', we were rather underwhelmed at the extent of the simplification proposals. There was nothing that most people would recognise as simplifying their taxes, and there is clearly still much to do in this regard. We are pleased that the government is consulting on several matters that we have been encouraging, such as IR35 offsets, employee ownership trusts and stamp duty on shares. We are also slightly relieved that TAMD has not brought an avalanche of major reforms, and hopefully this is a recognition of the need for stability in the tax system, as well as simplification.

The CIOT, ATT and LITRG technical teams will be reviewing the new consultations, and the government's responses, and if you have any comments please send them to technical@ciot.org.uk, atttechnical@att.org.uk or LITRG@ciot.org.uk.

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