Political update: June 2023

Briefings



25 May 2023

CIOT, ATT and LITRG work with politicians from all parties in pursuit of better informed tax policymaking.

The Finance Bill committee stage began in April with two days of the Committee of the Whole House. On the first day, Shadow Financial Secretary James Murray highlighted CIOT concerns that the wording of a new power for HMRC to remove a claim for R&D relief from a tax return could be wider in scope than suggested, enabling HMRC to reject claims without taxpayers having any of the normal rights of appeal. Murray said that his amendment 26 had been drafted by CIOT and would provide a ‘clear and technical’ change that he encouraged the minister to accept. Disappointingly, in her wind-up speech the Financial Secretary Victoria Atkins did not comment on the amendment.

The debate also saw former Home Secretary Priti Patel cite CIOT comments that it is doubtful whether the global minimum corporate tax rate will raise the £2 billion annually in the UK that the government is predicting.

On the second day of committee, Murray spoke to a number of amendments drafted by LITRG seeking to improve the provision relating to pension top-up payments for low earners in net pay pension schemes. He commended the efforts of LITRG, along with pension providers and others, in campaigning for the change in the law which culminated in clause 25 of this Bill.

Responding to the amendments, the Economic Secretary Andrew Griffith said he had written to the shadow minister offering reassurance on some of the points LITRG had raised, including that HMRC will provide customers with details of how their payment was calculated.

At time of writing, the Public Bill Committee is about to begin, with a number of measures set for debate on which we have provided representations to the committee, including the abolition of the Office of Tax Simplification.

On 10 May, representatives from ATT, CIOT and LITRG were joined by those from ICAEW and ICAS for a meeting with Atkins to discuss tax simplification. A report on this meeting will appear in the Technical Newsdesk section of next month's *Tax Adviser*.