ATT Welcome: Continual changes

Welcomes



20 September 2023

Senga Prior, ATT Deputy President

Hello and welcome to the Deputy President’s page for October. Summer is well and truly over and I thought I would touch on some tax highlights that you may have missed or put to the back of your mind while away relaxing on your holidays.

We await with interest to see whether the temporary closure of the HMRC public helpline and the push to digital webchat has helped to clear the backlog of HMRC post. Along with the Agent Account Manager online service, enabling agents to highlight unanswered mail over 12 months old, this will hopefully lead to fewer chasing calls to HMRC phonelines and release their staff to deal more speedily with the remaining backlog. Only time will tell!

ATT and CIOT published the results of their joint Making Tax Digital for ITSA survey. The results can be found on our website at tinyurl.com/yx5tshrp. I won’t give away

any spoilers – but I don't think you will find any surprises!

Our technical officers continued to keep busy, responding to several HMRC consultations, draft legislation and attending many meetings with HMRC and other interested parties.

One issue which is likely to cause both one-off and ongoing headaches is basis period reform. From 2024/25, sole traders and partners will be taxed on their profits actually arising in the tax year – a major change for anybody who doesn't draw their accounts up to 31 March or 5 April. The current tax year 2023/24 is a transition year, in which we switch over from our current rules to this new tax year basis. The transitional rules are quite complex, and for some taxpayers will mean additional profits being brought into account this year. The good news is that it will be possible to offset any overlap relief brought forward. However, that good news may be tempered by difficulties in working out what overlap relief is available, especially if clients have been trading for some time or have changed advisers in the past.

By the time this is published, HMRC should have released a new online g-form for agents and taxpayers to request overlap information. This was originally planned to be released in late August but was delayed in response to issues arising from user testing. The ATT and other professional bodies have worked with HMRC to develop and test this form, which should speed up the process of getting the required figures from HMRC. If you have any feedback or comments once it is live, please send them to the technical team at atttechnical@att.org/uk.

Another area where we are seeing constant shift and change is R&D tax relief. In the past year alone, we have seen changes in the level of relief available and a swathe of new administrative requirements, including the introduction of a compulsory additional information form. And the changes aren't stopping there! Recently published clauses for draft Finance Bill 2023/24 propose that, from as early as next April, we could have a brand new above the line credit scheme for all claimants regardless of size, with the current SME scheme restricted to the 'R&D intensive'. Whilst more should undoubtedly be done to crack down on fraud and abuse in the R&D relief schemes, there is a risk that taxpayers, advisers and HMRC will all struggle to cope with this pace of change.

By the time this is published, the annual Presidents' Reception will have taken place. This year, ATT President Simon Groom and CIOT President Gary Ashford will host the

first joint ATT and CIOT Presidents' Reception, held at the Design Museum in Kensington. This event gives both professional bodies the opportunity to thank all their volunteers for their work throughout the year and gives us all a chance to meet together in an interesting venue.

In closing, you may remember that last month I mentioned that you might consider volunteering with ATT. Since then our technical officers have recorded a series of informational videos and two of these touch on that exact subject. There are several other videos which cover a variety of interesting subjects suitable for members, students and the general public. These can be found at tinyurl.com/2u4prjs4. It would be greatly appreciated if you could promote and share these on your social media networks.