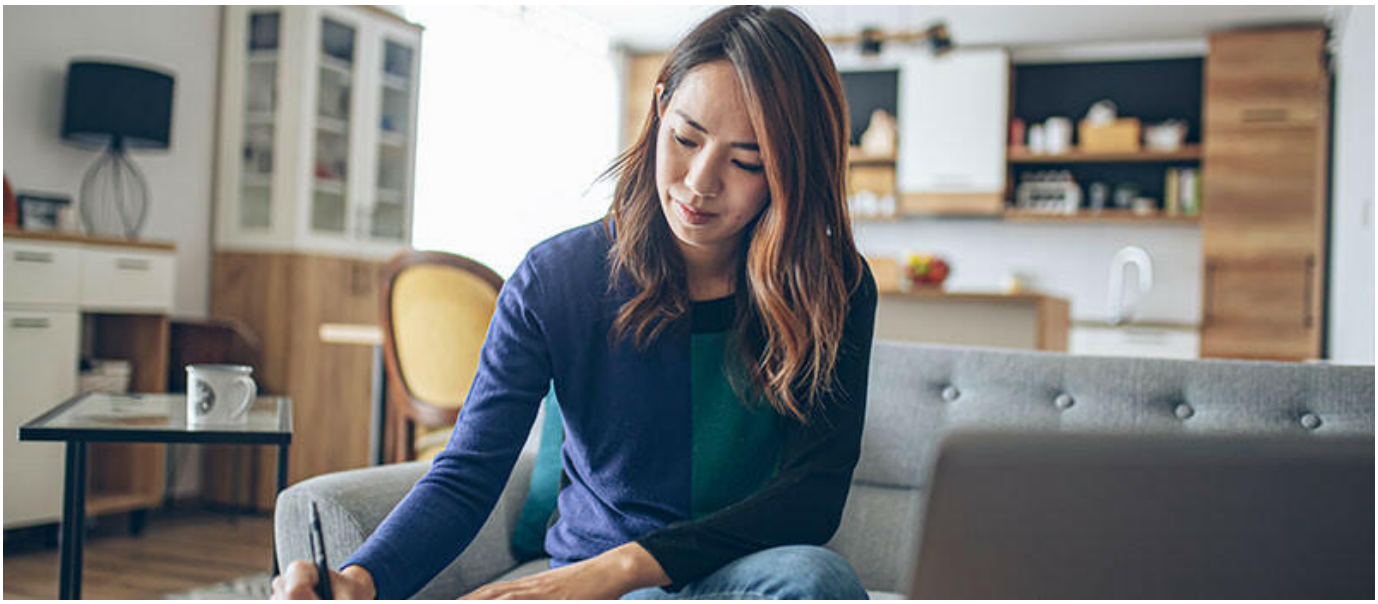
ATT Autumn Statement representations

Personal tax | Employment Tax | Inheritance Tax and trusts



22 November 2023

The ATT submitted five representations to HM Treasury in advance of the Autumn Statement. These addressed areas of concern with tax policy identified by our Technical Team based on feedback from members and our dealings with HMRC. Our submissions are summarised below, with full details available on our website. By the time you read this, it will be known whether the government has picked up any of our suggestions.

Trivial benefits

Our first Autumn Statement representation dealt with two aspects of the trivial benefits exemption in the Income Tax (Earnings and Pension) Act 2003 s 323A: revising the £50 limit to reflect inflation, and widening the exemption to cover qualifying expenses which are not paid for directly by employers.

Our representation suggested that benefits which would be within the rules if paid for by the employer should also be exempt if the employee pays and reclaims the cost. An employee could then pay for their flu vaccination, for instance, and submit an expense claim to their employer without triggering a tax charge.

Jointly owned property

The ATT's second representation concerned jointly owned property and the need for Form 17. Our suggestion was to abolish the deeming provisions in Income Tax Act 2007 s 836, which result in income from property held jointly by married couples or civil partners being split equally regardless of the underlying beneficial ownership. This rule does not apply to other joint owners and is relevant for income tax purposes only. This causes unnecessary complexity and confusion, and we have suggested that the taxation of joint property income should be simplified to reflect beneficial ownership, regardless of the marital/civil partnership status of the owners.

Mileage allowances

We have repeated our call for the government to increase the amount that drivers can be paid tax-free for using their own car for work. The current rates have been unchanged for over 12 years, during which time the cost of running a car has increased substantially.

We think that all of the mileage rates set out in legislation should be increased to better reflect the current costs of running and maintaining a personal vehicle.

Inheritance tax simplification

The residence nil rate band is a complex relief that is available to some estates in addition to the nil rate band. While it would come at a cost, we have suggested that inheritance tax could be both simplified and made fairer by merging the residence nil rate band and the nil rate band into a single nil rate band.

Relief for loss on shares

Where executors of estates sell shares which have fallen below the probate value, they can claim relief from inheritance tax on the value that has been lost, provided that the shares are sold within 12 months of the date of death.

However, many estates are struggling to obtain the required grant of probate in time, due to delays in the processing of probate applications. These delays are outside of their control. The ATT considers that the existing 12 month window needs to be extended to 18 or 24 months from the date of death, even if only on a temporary basis, until these delays are resolved.

All five submissions can be found at: www.att.org.uk/technical/submissions.

Emma Rawson *erawson@att.org.uk*
Helen Thornley *hthornley@att.org.uk*
David Wright *dwright@att.org.uk*