Technical Newsdesk: February 2024

Welcomes



19 January 2024

While it is certainly too late to wish readers a happy new year, it is not too late to wish a ‘happy February’ to those who have been working hard to help clients meet the self-assessment deadline.

At the time of writing (in mid-January), we understand from HMRC that, notwithstanding the restrictions to the Self-Assessment Helpline and Agent Dedicated Line, filing rates compare favourably with last year. Of course, this is only part of the story. It is only when final filing figures are known, the accuracy of returns checked and the level of amendments understood, that the impact of these restrictions will be fully known.

Unsurprisingly, HMRC’s announcement of those restrictions was badly received by members. Perhaps the reaction would have been different if HMRC had explained that, in large part, these changes were necessary because their phone lines were being bombarded with calls by high-volume repayment agents chasing repayments within days of their submission. We keep encouraging HMRC to work with us on these messages, so that people understand why they have to take such steps, as

well as offering to help with their underlying cause.

You will see from this month's edition that the CIOT, ATT and LITRG technical teams have been busy preparing briefings for MPs on various clauses within the Finance Bill.

We do this as part of our educational objectives, in order to inform the debate, identify shortcomings or unintended consequences, and make recommendations for improvements in the form of new clauses or amendments to existing ones. Our briefings were referenced several times, with the Shadow Financial Secretary to the Treasury praising the 'excellent team' at the CIOT and ATT for our representations on the Bill.

Making Tax Digital (MTD) continues to figure substantially in our ongoing work. This month, we summarise how the Autumn Statement introduced several easements to the rules for MTD for Income Tax Self-Assessment (ITSA). Just two days after the Autumn Statement, the Public Accounts Committee published its report on its inquiry 'Progress with making tax digital', with a mischievously entitled release 'Making Tax Difficult: HMRC losing sight of customer in tax changes, PAC report warns' (tinyurl.com/mr2dr6hs).

We welcomed the report, reiterating the need to consult on MTD's future direction and delivery, including carrying out a fresh evaluation of the impact of the project on the 'tax gap', and calling on HMRC to do more to mitigate the burden of complying with MTD. We continue our regular engagement with HMRC, striving to ensure that MTD can deliver on its objectives.

Indeed, there remain several key issues which will remain 'front and centre' in our engagement with HMRC, HM Treasury and ministers during 2024. These include HMRC's service levels, tax simplification, R&D compliance and regulation of tax services.

The CIOT raised these issues in its recent letter to the Financial Secretary to the Treasury, and they formed the topic of conversation for a recent CIOT, ATT and LITRG meeting with senior HMRC officials. So, whether it be in the detail of Finance Bill clauses, or bigger picture issues, there is always plenty to discuss.