Personal tax compliance for platform sellers

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The new OECD platform reporting rules will give HMRC greater visibility over transactions made by people who sell goods or services through online platforms. It will also mean that significant numbers of taxpayers could be worried about their compliance. Many platform sellers do this as a ‘side hustle’, others as their main earning activity – either way, some will fall outside the remit of the tax charities and will need good value professional tax advice and assistance.

You can get an idea of the types of issues that platform sellers need help by looking at LITRG’s recent articles on the topic (tinyurl.com/32thtcz8). In summary, they might include:

- understanding all the regimes and rules that apply in this area and which side of the line they come down on;
- providing simple reassurance for the ‘worried well’ that their activity is not taxable;

- managing their ongoing tax positions, including preparing tax returns;
- withdrawing tax returns for those who might have got confused or prematurely registered with HMRC;
- potentially dealing with historic problems, including making a disclosure and having to deal with interest/penalties; and
- providing guidance on making payment plans.

Often, people who make money in the gig/sharing economies are on low incomes and may have additional needs (for example, if they have English as a second language or have a disability) and TaxAid would probably be their first port of call.

However, the tax charities cannot help everyone, and using LITRG's online guidance to 'self-serve' may not be feasible, particularly where an issue has several strands or has been ongoing for some time. In many instances, there may be no substitute for having a tax professional deal with HMRC on their behalf, so we are anticipating that members might see an increase in enquiries in these types of case.

LITRG have a website page on getting professional advice (tinyurl.com/y8junawf). This encourages those who can afford to pay for their tax advice to find reputable professional assistance by using ATT or CTA members.

The gig economy and HMRC's approach to taxpayers with historic compliance issues will be an area of focus for LITRG in 2024. We would be interested to hear members' experiences of any clients coming forward with concerns over selling goods or services via online platforms, which could help to inform our work. Please use our contact form to get in touch: www.litrg.org.uk/form/contact.

In the meantime, there is clearly a need in this market and we are sure there are ATTs/CTAs who are competent to provide this advice, who can help meet that need. If you are one of them, how can you make sure that, practically speaking, people can find you? We can offer you these tips:

- Ensure people can see that you are an ATT or CTA.
- Consider setting up a web presence if you do not have one already, and post articles or blogs on the gig/sharing economy topic, so that people searching for information on the internet can find you.
- Put yourself in the shoes of someone on a lower income. Does your marketing/advertising material make you seem friendly/approachable/accessible?

- If you are happy to take on ad hoc, rather than recurring, work and/or can help individuals as well as businesses, tell people.
- It may be an obvious point (and indeed, is covered by Professional Rules and Practice Guidelines), but people on lower incomes are likely to be price sensitive. Make sure your pricing structure is as clear as possible.

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