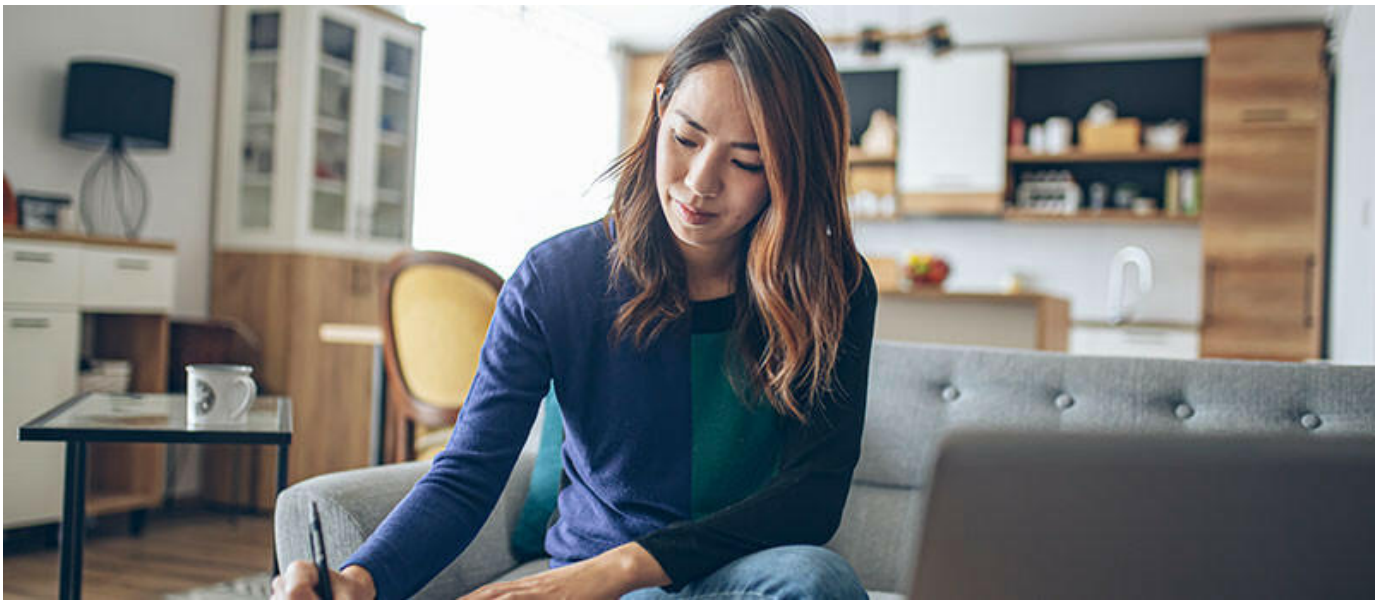
ATT produces new guide on deceased estates

Personal tax



21 August 2024

The ATT has produced a new guide for members on managing income tax for a deceased estate that covers recent changes to agent authorisation.

Over the last three years, the ATT has been part of a working group with HMRC looking at how aspects of the process of estate administration could be improved for taxpayers and agents. Based on some of the discussions in this group, we have now produced a guide pulling together what we have learned about the income tax aspects of dealing with an estate.

The guide covers recent changes to HMRC’s preferred agent authorisation route and a potential solution to repayment problems reported to us by members.

New route for agent authorisation for deceased estates

When a client dies, any existing authority is cancelled. If their agent is instructed by the executors to act for the estate and/or finalise any pre-death affairs, then fresh authorisation is required. We learned some time ago that HMRC would prefer agents to use a P1000, rather than the 64-8 form, and we have been encouraging HMRC to make this form more accessible. We are pleased to report that as of 12 July, theP1000 is now available to download from GOV.UK (see tinyurl.com/3t6ecdac).

From HMRC's perspective, the P1000 is the more helpful form as it includes details of the personal representatives. We would encourage members to submit this form, instead of the 64-8, to obtain authority to speak to HMRC about an estate.

Obtaining repayments for an estate

Earlier this year, we received several reports from members concerned that refunds of income tax were not being paid to the correct person and that HMRC was insisting that refunds should be going to the person who completed the Tell Us Once service, rather than the personal representatives.

We raised these concerns with HMRC to see if we could establish where the confusion was arising. They confirmed that the default position is that whoever completes the Tell Us Once process will be recorded as the personal representative. If it is later found that they are not a personal representative, then either an amendment needs to be made to the original Tell Us Once notification, or a P1000 submitted with the correct details of the personal representatives. HMRC recommend the P1000 approach. Full details of both routes in our guide. We will continue to update the guide as new information or queries come to us. Comments or corrections would be most welcome from members.

All of the ATT guides for members can be found on the ATT website at: www.att.org.uk/how-guides.

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