ATT Autumn Budget 2024 representations

Personal tax | Inheritance Tax and trusts



25 September 2024

In advance of the Autumn Budget, the ATT has made a number of representations to government suggesting simplifications and modifications to a range of personal tax measures.

The ATT made four representations in advance of the Autumn Budget on the following topics:

- Income tax simplification measures (www.att.org.uk/ref461)
- Extending tax relief for trivial benefits (www.att.org.uk/ref462)
- Reimbursing employees fairly for using theirown car for work (www.att.org.uk/ref463)
- Extending the inheritance tax relief window for deceased estates that sell shares (www.att.org.uk/ref463)

Income tax simplification measures

In this representation, we made a number of recommendations which we think would help to simplify the self-assessment system for both taxpayers and HMRC. We suggested that the government should:

- Provide an enduring ‘opt-in’ to Income Tax Self-Assessment (SA): Members tell us that many people who are not within HMRC’s SA requirements find it much easier to manage their affairs within SA, and would prefer not to be removed and forced to re-register every year. Revised SA thresholds for 2023/24 and 2024/25 have made this a more common issue.
- Simplify jointly owned property rules: We suggested that HMRC should align the income tax treatment of assets jointly owned by co-habiting spouses/civil partners with that applying to other joint owners. This would remove the need for married couples to submit a Form 17 if they do not want the default 50/50 income split which the current rules presume.
- Relax the rules on carrying back Gift Aid donations: Currently a carry back can only be made in an original tax return and not in an amended return.
- Adjusted net income: Remove income covered by the savings allowance and dividend allowance from the calculation of adjusted net income to make this position consistent with the position for the trading and property allowances.

Trivial benefits

The ATT considers that the ‘trivial benefits’ rules – which provide for income tax relief on certain low value employer-provided benefits, such as gifts at Christmas or flowers sent for the birth of a child – need to be updated to increase their usefulness and relevance. We would like to see the rules amended to:

- allow relief where an employer reimburses an employee for a purchase which would have qualified as a trivial benefit, had the employer paid for it directly; and
- increase the £50 limit on benefits, which has remained at the same level since the legislation was first introduced in 2016.

Reimbursing business travel

We have previously called for approved mileage allowance payments rates to be increased as the current rates have been unchanged for over 13 years, during which time the cost of running a car has increased substantially. We have repeated the call again this time.

Extending IHT relief

Where executors of estates sell shares which have fallen in value since the date of death, they can claim relief from inheritance tax for the value that has been lost, provided that the shares are sold within 12 months of the date of death. However, some estates are struggling to obtain the required grant of probate in time due to ongoing delays in the processing of probate applications. The ATT would like to see the existing 12 month window extended to 18 or 24 months from the date of death, ideally permanently but at least on a temporary basis until ongoing probate office delays are fully resolved.

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