Political update: February 2025

Briefings



24 January 2025

CIOT, ATT and LITRG work with politicians from all parties in pursuit of better informed tax policy making.

MPs began debating the new government's first Finance Bill in November. CIOT and ATT provided written and oral briefings to MPs scrutinising the legislation. CIOT comments were cited in three Committee of Whole House debates by shadow ministers, with one thanking the Institute for its 'invaluable support'.

On capital gains tax, Shadow Financial Secretary Gareth Davies noted that CIOT had highlighted that it was too late to change the format of the relevant 2024-25 tax return pages to accommodate in-year changes to CGT rates. He asked that appropriate levels of understanding be shown to taxpayers.

On stamp duty land tax, Shadow Exchequer Secretary James Wild drew on CIOT's briefing to observe that the high differential between the top residential rate and the top rate for purchase of a non-residential or mixed property will incentivise taxpayers to argue that properties are the latter, which may lead to increased compliance costs.

On the extension of VAT on private school fees, Wild noted CIOT's call for a delay amid concerns that neither HMRC nor schools will be ready to implement the change effectively. Two shadow education ministers had also cited these concerns during earlier parliamentary debates, one in the Commons and one in the Lords, back in October.

During a Scottish Parliament debate on the Aggregates Tax and Devolved Taxes Administration (Scotland) Bill, Labour's Treasury spokesperson, Michael Marra, cited CIOT's criticism of the Scottish government for a failure to consult on elements of the legislation. The Parliament's Delegated Powers and Law Reform Committee cited CIOT, ATT and LITRG in its summary of the call for views for its inquiry into 'framework legislation'. CIOT, ATT and LITRG are also listed as stakeholders in the Scottish government's Tax Strategy, published alongside the Scottish Budget on 4 December.

Finally, during debate on the Bill increasing employer NICs, the shadow minister, Gareth Davies, noted the CIOT's warning that the change could lead some employers to shift employees to a self-employed basis or offshore workers to overseas destinations.