Tax update spring 2025: simplification, administration and reform

General Features



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The CIOT, ATT and LITRG technical teams are focusing their attention on the announcements in the first ‘TUSAR’ day.

On 28 April, the Exchequer Secretary to the Treasury, James Murray MP, issued a written statement (tinyurl.com/2sddbaym) announcing a package of 26 measures aimed at simplifying the tax and customs system. The government also set out two further administrative measures designed to strengthen the integrity of the tax and customs system, as well as a package of 11 measures to reform the tax system. More details regarding the announcements can be found via a new Collection page (tinyurl.com/4ffjpvta) and policy paper (tinyurl.com/mpcezks) on GOV.UK.

This was the inaugural Tax Update, Simplification, Administration and Reform (TUSAR) day. We have in recent years become accustomed to Tax Administration and Maintenance Day – but what's in a name?

New consultations

TUSAR day saw the launch of eight new consultations as follows:

- Reform of transfer pricing, permanent establishment and diverted profits tax;
- Transfer pricing: scope and documentation;
- The Tax Administration Framework Review: improving HMRC's approach to dispute resolution;
- Strengthening the soft drinks industry levy;
- Tax treatment of remote gambling;
- Consultation on the VAT treatment of business donations of goods to charity;
- Consultation on reform of landfill tax; and
- Modernisation of the stamp taxes on shares framework: 1.5% charge.

Details of these consultations can be found on GOV.UK (Policy papers and consultations at tinyurl.com/4ktbaefb). Our technical teams will be reviewing them and responding as appropriate. If you have any comments on the consultations, please send them to technical@ciot.org.uk, atttechnical@att.org.uk or litrg@ciot.org.uk.

Consultation responses/outcomes

TUSAR day also saw the publication of the government's response to several earlier consultations. These are:

- The Tax Administration Framework Review: new ways to tackle non-compliance;
- Stamp taxes on shares modernisation;
- Vaping products duty consultation;
- Legislative reform of the Terminal Markets Order;
- Customs treatment of post and parcel exports; and
- Bringing goods into the UK temporarily.

Again, details of the outcome and next steps can be found on GOV.UK (Policy papers and consultations at tinyurl.com/35x4ww4c) and the technical teams are considering the next steps.

Other announcements

While we would recommend reviewing the policy paper for an overview of all the announcements, we would particularly highlight the following:

- Income tax self-assessment criteria review: The income tax self-assessment reporting thresholds for trading, property and 'other taxable' income will be aligned and changed to £3,000 (gross) each. This will remove the requirement for up to an estimated 300,000 taxpayers to submit a self-assessment return. Implementation will take place 'within this Parliament'. HMRC will also work with external stakeholders to ensure that associated guidance is clear.
- Mandating the payrolling of benefits in kind will now be introduced on 6 April 2027 instead of 6 April 2026.
- Check employment status for tax digital tool revisions: HMRC are revising the 'CEST' tool with effect from 30 April 2025 to make it easier to use and will publish revised guidance that offers help on how to answer the revised questions.
- Capital Goods Scheme simplification: Computers will be removed from the assets covered by the scheme; and the capital expenditure value of land, buildings and civil engineering work has been increased to £600,000 (exclusive of VAT).
- Reducing outbound post: HMRC will reduce paper post sent, saving £50 million per year by 2028-29, whilst maintaining paper post provision for critical correspondence and for the digitally excluded. This will require investment in digital services to send and receive taxpayer information, and legislation to support this 'digital first' approach.

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