

HMRC Powers and Procedures

Key Points:

- “The Disputed Self-Assessment” seminar
- Extension of trading loss carry back
- Changes to Pension Contributions
- First Year Capital Allowances at 40%
- Marathon Man!

We are specialist tax advisors working with other professional accountants, solicitors, individuals and owner managed businesses. We are also experts in share valuation for fiscal and other purposes.

We have many years' experience in our chosen field and have offices either side of the Pennines.

Visit our websites:

www.eavesandco.co.uk

and

www.equityvalue.eu

We have now had more than 10 years of self-assessment but what happens when HMRC do not agree the figures?

A radical overhaul of HMRC powers, procedures, penalties and deterrents was implemented on 1 April 2009, with new rights for on site inspection, reform of penalties (in a “robust” manner) and changed appeal procedures.

Advisors will need to understand how the new regime will affect their clients and how to work within it.

The Budget also introduced further changes, including a proposal for penalties on the late payment of PAYE to come in from April 2010.

For full details come to our “The Disputed Self-Assessment” seminar which we are hosting with

Counsel on 20 May 2009 at 3 Albion Place, Leeds, at 4pm.

Presenters are Paul Eaves, Jeremy Barnett (Barrister at Law) and Danielle Graham (Barrister at Law). Tickets: £55.00 + VAT. Valid 2 CPD points. Please RSVP Jayne Drake jd@stpaulschambers.com Tel: 0113 245 5866 **before Wednesday 6 May 2009 to secure your place.**

Payment Problems?

HMRC have been extending credit, in appropriate cases to businesses that are having difficulties meeting their tax liabilities (VAT, PAYE, Corporation Tax and proprietor Income Tax).



The relevant arrangements were initially announced in the Autumn Statement, by the Chancellor of the Exchequer. They have now been extended.

We have been involved in a number of successful negotiations. If you or your clients need assistance in these difficult economic times, we would be happy to help.

An independent third party is often useful.

Trading Losses

Losses made by trading businesses can be carried back one year. An extension to this rule will apply for losses made in 08/09 and 09/10 for partnerships and sole traders and between 24/11/08 and 23/11/10 for companies.

Losses of up to £50k in these periods can be carried back for up to three years. Planning opportunities may be available once the legislation has been published.

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Regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities

Research and Development

Capital Allowances

Once again there are changes to the capital allowances regime.

From 1 April 2008 business have been able to claim up to £50,000 of expenditure on qualifying plant and machinery through the Annual Investment Allowance. Relevant expenditure in excess of this went into a pool, to be written down at 20% per annum on a reducing, balance basis.

Expenditure in the 12 month period from April 2009, in excess of the £50,000 Annual Investment Allowance may now claim a 40% First Year Allowance.

Property

Farming land in the EU is now subject to relief from Inheritance Tax through Agricultural Property Relief.

From April 2010, Income losses from holiday homes can no longer be set against an individual's other income.

Generate Cash!

Not many tax reliefs can actually result in refunds of PAYE, but qualifying Research and Development expenditure is one of them.

Special Research and

development tax relief and tax credits were introduced in the UK in 2000 and are today an extremely attractive source of innovation funding.

A claim can currently generate a tax deduction

of 150% of the amount of qualifying expenditure, or a cash refund of 24% of the eligible expenditure via the PAYE system.

Marathon Man

Our own Paul Davison is training for the Edinburgh Marathon on 31 May 2009!

"I see this as a lifetime achievement rather than the start of a marathon career", he was heard to say recently.

His chosen worthy charity is the Yorkshire Air Ambulance. For a chance to win some YAA and Edinburgh goodies, please

donate online - www.justgiving.com/paulrdavison and estimate his time in the comments section.



The winner will be the one with the closest time. To get you started we can tell you that he completed the Great North Run in October 08 in a time of 2hrs and 7minutes. GO PAUL!

Pension Contributions

The Budget incorporates special anti-avoidance rules for pension contributions - targeted at individuals who have an income of £150,000 or more with effect from 6 April 2011. The legislation is still in draft so any action taken after 22 April 2009 may be subject to future changes.

Offshore Disclosure

A new "Last Chance"!

The Chancellor has announced a New Disclosure Opportunity (NDO) for UK residents with unpaid tax connected to an offshore account.

The NDO will run from the autumn 2009 for a limited period to give the offshore account holders one final opportunity to

disclose, and put their affairs in order. Taxpayers (or those becoming taxpayers!) taking up this opportunity will be expected to pay the duties they owe, interest and a penalty.

The level of penalty will be publicised before the scheme opens and for those eligible to take part

it is likely to be lower than the level they can expect to pay under normal rules.

Our experience with the last "amnesty" was that clients were happy with the opportunity to put matters in order, and avoid the potential future uncertainty of "the hand on the shoulder".