

Welcome to our monthly tax newsletter designed to keep you informed of the latest tax issues.

We hope you enjoy reading the newsletter; remember, we are here to help you so please contact us if you need further information on any of the topics covered.

Best wishes

Liz Elliott
Tax specialist

Extra corporation tax relief for the creative sector

There are proposals for enhanced corporation tax reliefs from 1 April 2013 which target businesses in the animation, high-end TV and video games industries. The aim of such reliefs is to make the UK *the* technology centre for Europe and avoid the risk of under-investment in those sectors.

The rate of relief is expected to be in line with the film tax relief regime, which is worth 12% to 20% of core expenditure depending on the film budget and whether or not a repayable credit is taken.

If you are involved in this sector we are ready to advise you on the tax planning opportunities available.

New HMRC campaigns

As always, these campaigns are aimed at encouraging people to come forward about any previously undeclared income, promising that such action will result in a far lower penalty than if HMRC come knocking on their door.

The **Tax Return Initiative** is aimed at 40% and 50% taxpayers who are required to complete a tax return for 2009/10 or earlier but have not yet done so. The campaign started on 3 July 2012 and will run until 2 October 2012, by which time any unpaid tax needs to be paid.

The **Direct Selling Campaign** is aimed at businesses that sell products to customers away from a retail shop, often in the customers' own homes. This could involve a party, door-to-door sales or simply selling to friends or relatives. Importantly, this campaign will not apply to those selling financial products.

Finally, the **Trades Campaigns - Home Improvement Sweep Up** is the third campaign focusing on the home maintenance sector, following the **Plumbers' Tax Safe Plan** and **Electricians' Tax Safe Plan** campaigns. This 'sweep up' will focus on individuals working in a variety of skilled trades such as roofing, window fitting, carpentry, bricklaying and joinery.

Specifically, the campaign is intended to encourage such individuals to come forward about any unpaid tax and thus bring their tax affairs up to date, using a straightforward yet time-limited opportunity.

If you know anybody with tax issues within these sectors, a referral to us will be much appreciated.

TAX E-NEWS

Monthly Update

Capped tax reliefs

We have mentioned this before, but the impact will fortunately be far less than feared; in particular, charitable donations will be unlimited and you will continue to get tax relief at your top rate on them.

This capping of tax reliefs from 6 April 2013 is still something which needs to be considered, as you could fall within the new rules if you are not careful, even though the risk has undoubtedly been reduced.

New residence rules

These will come into effect from 6 April 2013. If you are thinking of leaving the UK or coming to live here, now is the time to see exactly what impact the new rules will have.

Your tax residence status is fundamental in determining your UK tax exposure and, in turn, will influence the tax planning moves which will be needed. That is the case whether you plan to leave the UK to work, retire or just travel for a few years.

We are ready to advise by reference to your specific circumstances.

Seed Enterprise Investment Scheme

If your company is considering raising funds via this new tax-related investment opportunity, a fundamental issue that needs to be addressed is whether the activities of your company makes it a qualifying company for this purpose.

This is often (but not always) clear and HMRC will give advance assurance of this on application.

They have issued a new form to complete and we recommend that advance clearance is sought just in case there is an unexpected issue.

More HMRC taskforces

HMRC has announced several new taskforces to investigate tax evasion in specific commercial and geographical sectors. The taskforces bring together various compliance and enforcement teams for what are delightfully (or frighteningly!) called intensive bursts of targeted activity, typically focusing on 300 of the highest risk cases.

The new taskforces are:

- **Property rentals** in East Anglia, London, Leeds, York, Leicester, Nottingham, Lincoln, Durham and Sunderland
- **Restaurants** in the Midlands - extension of work already underway in Scotland, North West England and London
- **Taxi firms** in Nottingham, Yorkshire, Leicestershire and Derbyshire
- **Market traders** in London

If you know anyone in the above categories and they express concern about their tax affairs, we will be pleased to help them.

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