

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

### HMRC GOING INCREASINGLY DIGITAL

£200 million is to be invested in HMRC's digital services, which they reckon will reduce their costs dramatically.

Cynics will say that is all very well, but it means the taxpayer or his agent will have to do more of the work needed. Please be assured that we will use the increasing range of HMRC digital services to your advantage, providing a personal service which gets your tax affairs up to date and ensures no tax planning opportunities are missed.

Looks like it won't be long before HMRC are left with nothing much to do except check tax returns. That will be done with an overall reduced workforce, but with more people freed from doing other tasks and soon to be reallocated to compliance checks. On our part we will always seek to reduce the chances of a tax return being queried in any way.

### CGT PRIVATE RESIDENCE RELIEF – IS IT A RESIDENCE?

To stand any chance of the gain on sale of a residential property being wholly or partly exempt from tax, one of the requirements is that you can show it was used as your only or main residence.

There are a growing number of tax tribunal cases on this issue, where whether or not a property has been used as a residence is a question of fact with evidence being vital to obtain. That really is the basic message as a lack of evidence will be fatal where you lived in a property for only a short time.

As to what evidence is needed, that all depends on the circumstances. Forward planning is vital, as is being able to show that there was an intention (albeit not necessarily realised) to live in the property with some degree of permanence.

We will be pleased to advise by reference to your particular circumstances.

### EXTRA CORPORATION TAX RELIEF FOR THE CREATIVE SECTOR

If you run a business involving the creation of animation programmes, high-end TV programmes, or video games, you can look forward to extra tax relief on the production costs. This results in corporation tax relief on no less than 200% of the actual costs on UK expenditure up to a maximum of 80% of the total core expenditure.

We now have more details of the rules and regulations and can advise you of the scope for getting this new tax relief, which can give you an alternative tax credit where the enhanced tax relief results in a loss arising.

HMRC promise a pro-active approach through their new CREATIVE INDUSTRIES TEAM and in particular have a target to process 98% of tax credit claims within 28 days.

### NEW TAX RELIEFS TO ENCOURAGE EMPLOYEE OWNERSHIP

Consultation has started on the following possible reliefs:

1. CGT relief when the controlling share of a business is sold into an indirect employee ownership structure.
2. Income tax and NICs exemption by reference to an indirect employee owned company paying a certain amount each year to their employees. Employer NICs would also be exempt.

Early days to consider this topic in detail but in the right circumstances it looks like there will be significant tax breaks on offer.

### NEW HMRC TASKFORCES

HMRC has announced 4 new taskforces to investigate tax evasion in specific commercial and geographical sectors. The taskforces bring together various compliance and enforcement teams for what they term intensive bursts of targeted activity.

The new taskforces are localised and cover the following:

- Holiday industry in Blackpool, Lake District, North Wales, Devon and Cornwall
- Restaurants in Yorkshire and Humber
- Road hauliers in the Midlands
- Fishing industry in Scotland

If you know anyone involved in the above sectors who has tax concerns they want to put right, please ask them to contact us for help.

### TAX DIARY OF MAIN EVENTS FOR JUNE/JULY 2013

Date	What's Due
1 August	Corporation tax for year to 31/10/12
19 August	PAYE & NIC deductions, and CIS return and tax, for month to 5/8/13
1 September	(due 22 August if you pay electronically)
19 September	Corporation tax for year to 30/11/12

**Please contact a member of our Tax Team if you would like to discuss any of the issues raised.**

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