

What's new in VAT? January 2011

Subject	Brief detail	Who is affected?	Action
Input Tax Toolkit	HMRC have published a new toolkit. It gives details of procedures they recommend in order to ensure correct claims.	All businesses	Read through toolkit carefully and ensure that action is taken to implement it. Mistakes where insufficient systems are in place could be penalised as not being subject to reasonable care.
Due date for returns	HMRC have clarified that the 7 day extension to return submission applies to repayment returns as well as payment ones.	Repayment businesses	Take advantage of the extension if needed. Of course, the earlier a repayment return is submitted the earlier the tax is repaid.
Debt collection	Debt collection is not exempt from VAT but standard rated. The recent AXA case has ruled that some payment handling services will be treated in the same way.	Payment handling business or those with payment handling fees.	Check the ruling to ensure that VAT is accounted for correctly.
Payments on account	The annual entry threshold for making payments on account has risen to £2.3m	Large payers of VAT	Check annual VAT liability to determine whether payments on account are required.

Upcoming events

Topic	Date	Location	Further information
<u>VAT and business expenses: Pitfalls and Opportunities</u>	<u>2 April 2011</u>	<u>Southampton</u>	<u>Places available</u>
<u>VAT and business expenses: Pitfalls and Opportunities</u>	<u>8 October 2011</u>	<u>London</u>	<u>Places available</u>
<u>VAT and business expenses: Pitfalls and Opportunities</u>	<u>25 November 2011</u>	<u>Manchester</u>	<u>Places available</u>