

## Campaigns update

If approached by clients for advice on current HMRC Campaigns which HMRC are heavily publicising, how up to date are AAT members in practice? This summary will help.

What's in it for HMRC? Campaigns bring traders into the tax register with a settlement but without the cost of an enquiry.

What's in it for clients? The opportunity to voluntarily put their tax affairs in order, with a settlement at a lower rate of penalty and without the hassle of an enquiry.

HMRC Campaigns identify a group to target, gather information and intelligence that can be used to encourage and influence that group to come forward, with the opportunity to settle. Once a campaign closes, HMRC then uses that same information and intelligence to follow up with formal action that can include criminal investigations. Campaigns launched so far have closed the tax gap by nearly £510 million from voluntary disclosures, and over £120 million from non-compliance follow up from a large numbers of civil interventions, including over 18,000 completed investigations. There are also 23 criminal cases underway. Two have been concluded with a conviction.

## Current Campaigns

E-marketplaces campaign for those trading on the internet was launched with a first phase notification period opening on 14 March 2012. The campaign will be of interest to those are using e-marketplaces to buy and sell goods as a trade or business and who have not disclosed their income or paid the taxes that are due. Notification to HMRC must be made by 14 June 2012 with disclosure and payment completed by 14 September 2012.

People who only sell a few items and are not actively trading are unlikely to be liable to tax and will not be targeted by this campaign.

For further information as to whether e-marketplace activity could be seen as trading visit:

<http://www.hmrc.gov.uk/campaigns/emarket.htm>

Watch the supporting YouTube video:

<http://www.youtube.com/watch?v=uptdjVD2LgI>

Trades campaigns - Electricians' Tax Safe Plan (ETSP) - started on 14 February 2012 - focuses on electricians and electrical fitters. For this campaign an electrician can be defined as anyone who installs, maintains and tests electrical systems, equipment and appliances under safety regulations.

The ETSP was an opportunity for electricians to come forward and declare unpaid tax. The notification period ended on 15 May 2012 and disclosure, with payment, must be made by 14 August 2012. For those who missed the deadline for notifying intention to disclose, it will still be beneficial to tell HMRC as the penalty payable will still be lower than it would be if HMRC makes the first approach. To come forward now and voluntarily disclose the Campaigns Voluntary Disclosure Helpline is 0845 601 5041. For more on Campaigns visit

<http://www.hmrc.gov.uk/campaigns/news.htm>

## **News of future campaigns**

Three more campaigns are due to start in the coming months. If you think that one of these forthcoming campaign may apply to you and you want to come forward now you can call the Campaigns Voluntarily Disclosure Helpline on Tel 0845 601 5041.

### **Missing Returns campaign**

The Missing Returns campaign, due to start in July 2012, is aimed at individuals who have been sent an Income Tax Self-Assessment (ITSA) tax return or have been told they are required to submit a completed return but have so far failed to do so. The first phase, to be launched in 2012/13, will focus on individuals who have failed to submit completed ITSA returns for 2009/10 and earlier and who are liable to pay tax at the highest rates - 40% and 50%.

This campaign will be part of the wider activity in HMRC aimed at tackling failures to submit completed returns and will provide a time limited opportunity to encourage those who want to get their tax affairs up to date to come forward.

### **Direct selling campaign**

The Direct selling campaign, due to start in September 2012 will be aimed at those who sell products to customers away from a retail shop, often in the customers own homes. Sellers are sometimes referred to as 'Agents' for the companies whose products they sell. Selling could involve a party, sales door to door or simply selling to friends or relatives. For this campaign however, it will not involve those selling financial products. Sellers or Agents take commission on those sales which they should report to HMRC if they earn enough to pay tax.

This Campaign will focus on helping the increasing numbers of customers involved in direct selling - including those wanting to top up their income from another job or work after redundancy/retirement and those people doing it around caring commitments - to understand their tax obligations and set them on the right track for the future.

### **Trades Campaigns - Home Improvement Sweep Up**

The Trades Sweep-up Campaign, due to start in December 2012, is the third campaign focusing on the home repair, maintenance and improvement (Home Maintenance) sector following the Plumbers' Tax Safe Plan and Electricians' Tax Safe Plan campaigns. This 'sweep up' will focus on trades people working in a variety of skilled trades such as roofing, window fitting, carpentry, bricklaying, and joinery.

This campaign will encourage all those trades' people working in the home improvement sector with unpaid tax, who have yet to come forward, to bring their tax affairs up to date in a straightforward way using a time limited opportunity.

Con Kelly ATT FMAAT

Con Kelly represented the AAT at consultation by HMRC with the main Accountancy Bodies on the various Campaigns.