

## **OTS calling for more streamlined tax payment regime**

The independent Office of Tax Simplification (OTS) wants HMRC to make it simpler for self-employed people and landlords to meet their tax obligations.

It has just published a report containing three recommendations focusing on areas for further, more detailed, work concerning:

- the potential for HMRC to offer a fully integrated individual tax account, providing an end-to-end tax reporting and payment service.
- the role of those third parties who play a significant role in relation to a group of taxpayers, and who would have sufficient information to enable effective third-party reporting.
- which types of self-employment business or rental business would most benefit from being able to report data periodically and pay tax through an integrated individual tax account.

Bill Dodwell, OTS Tax Director, said: “The key recommendation in this report is for HMRC to continue its work on the personal tax account further, to enhance its capabilities and integrate it with the business tax account. This could thus provide an end-to-end reporting and payment service. This would help everyone and provide the necessary foundation to support the further ideas we explore in this report.

“The report considers two other areas: how third-party reporting might support taxpayers and whether new means of paying income tax should be introduced – again, to make this easier for those taxpayers who wish to pay their income tax and National Insurance more regularly.”

He added: “Previous work from the OTS has established that many self-employed taxpayers want additional help in reporting and paying tax. In some sectors, third-party reporting could help. Further in-depth work is needed to test this and potentially develop a workable plan.

“Current law provides that self-employed people and landlords pay their tax twice a year. Many are happy with this – but there’s also evidence that others, especially those on middle or lower incomes would like help to stay on top of their tax payments. More work could define how this help could be best provided.”

The report, ‘Tax reporting and payment: Simplifying tax for self-employed people and residential landlords’, can be accessed at <https://tinyurl.com/y3d6lpsl>