

Comment: Points make prizes and a job in the TPF beckons

The annual Budget has just been presented to Parliament and our inboxes are groaning under the strain of emails offering 'Budget Updates'; actually, this year's affair was full of amendments and updates that warrant a long hard look, writes Tony Margaritelli.

Ignoring the bulk of the tax and Covid-related matters I was struck by two particular items.

First was the announcement of the Taxpayer Protection Taskforce (TPF), which is to be formed by HMRC using a £100m investment. I can hear 'The A-Team' theme music playing as I type. The announcement says that 1,265 HMRC staff will make up the taskforce and 100 or so will be new to HMRC. The aim is to tackle abuse and to stamp down hard on any exploiters of the Covid schemes that were set up to provide support where it was most needed.

A laudable objective and one that you certainly cannot argue against, especially as some of the help provided was done in such a rush that normal safeguards were jettisoned for one reason or another.

What this means is that we can expect HMRC activity will increase and with such a large investment they will be looking for results – and quick ones. Fraudsters deserve what they get, but my concern is for taxpayers that are targeted for no genuine reason.

The second piece that caught my eye was the new 'Points make penalties' regime, which is covered at <https://tinyurl.com/7fepyama>

Default surcharges have been a bone of contention for many businesses over the years, and finally HMRC have decided to make changes and base it on a series of penalty points. Remember, this only comes into play for VAT from 2022. Points are going to be awarded for every submission deadline failure and each submission type will hold and accumulate their own points, so VAT return submissions are separate from tax return submissions. Points will be extinguished as set out in the policy paper so a return to compliance is duly rewarded.

Will this work better than a simple surcharge? Only time will tell, but we have a bit of time to get our clients up-to-date. I wonder if a failure will be automatically reported to the TPF?

Tony Margaritelli, Publisher, HMRC EIP