

GRANGE

NEWS

The Monthly Newsletter of Grange Accounts

Issue 33 - February 2012



www.grangeaccounts.com

HMRC Step Up Fight in Civil Fraud Investigations

Her Majesty's Revenue and Customs (HMRC) have launched a new Contractual Disclosure Facility (CDF) in a bid to crack down on civil fraud.

The unit was launched on 31st January 2012 as part of the Government's promise to crack down on fraud following a consultation process in Autumn 2011.

HMRC will contact taxpayers over whom they have doubts to inform them that they are suspected of serious tax fraud. At that stage the taxpayer will be offered the chance to enter in to a contract to disclose their fraud within 60 days. If they choose to do so HMRC will agree not to criminally investigate, thus removing the risk of prosecution. A civil investigation will then take place with to bring a settlement for the tax owed, interest accrued and a financial penalty.

HMRC will not make any contact with the taxpayer during that 60 day period unless they contact HMRC to disclose their wish to provide details of their tax fraud or to deny fraud.

If the taxpayer chooses not to disclose their suspected fraud will face a full investigation from HMRC and in some cases face the possibility of a criminal investigation.

There is a denial letter sent as part of the process which may be signed and sent back within the 60 day period, but this may be used as evidence that there was a deliberate attempt to mislead HMRC and avoid paying the tax due in any criminal action.

Those who are not under investigation, but wish to admit tax fraud, may fill out a form to request HMRC consider their suitability for a CDF arrangement. HMRC will retain the right to deal with these cases as either a civil or criminal matter.

On their website HMRC "strongly recommend" that independent advice is obtained before filling the form or signing any letter.

UK Housing Market Falls 11% in 2011

House sales fell to 869000 in 2011, one of the lowest totals since modern records began in 1978.

The figures from HMRC represent a fall of 11 per cent on the 2010 figure as house sales continue to be depressed by rising unemployment and more stringent mortgage lending.

The record low was in 2009 when only 848000 homes were sold.

The Royal Institute of Chartered Surveyors (RICS) has said that there is no sign that the situation will improve in 2012.

It claims that many sellers are asking too much for their properties, while potential buyers are struggling to get a mortgage.

With lenders concerned about the current economic climate it predicted that 2012 figures may fall beneath the low of 2009.

Grange Accounts

10 Stone Street, Gravesend, Kent, DA11 0NH.

Telephone: 01474 325888

Fax: 01474 320605

E mail: info@grangeaccounts.com

Tax Boss to Retire as MPs Attack 'cosy' Deals

Criticism over 'cosy' deals between HMRC and big businesses has led to the retirement of Chief Tax Collector David Hartnett.

Mr Hartnett will retire this summer after he was singled out by a committee of MP's for his handling of tax negotiations with some big companies.

It was alleged that some firms received favourable treatment and that there was a lack of transparency in the way deals are done.

Not surprisingly HMRC hit back over the general criticism and particularly that of Mr Hartnett.

"The idea that David Hartnett cuts a large tax bill in return for a glass of wine and a cheese sandwich is just plain nonsense" said a HMRC spokesman.

The MPs however accuse Mr Hartnett of failing in his duties by letting some big companies, with Goldman Sachs named as one, off millions of pounds in interest on it's tax bill.

They also claim that he breached HMRC rules by authorising a large tax settlement to a company whose negotiations he had been involved in.

It is also claimed by the MPs that his relationships with big companies were "too cosy", leading to the appearance of "preferential treatment" and that he used an "excuse" of taxpayer confidentiality to avoid explaining tax deals made with some companies.

Claims that £25 billion of tax was outstanding were refuted by HMRC who claim that this figure was an initial estimate and that upon investigation it was shown in many cases that no tax was owed, but they did admit that mistakes were made in the case of Goldman Sachs, but this was not a "systemic failure".

Useful phone numbers

Grange Accounts	01474 325888
HMRC Business Support	0845 302 1435
Nat Insurance Number Tracing	0845 915 8948
Dept of Work and Pensions Contact Centre	0845 600 0643
Companies House	0870 333 6363

Have You Missed the Deadline?

If you have missed the deadline for filing your self assessment form you will be subject to a £100 penalty from HMRC.

This will apply whether or not you owe tax, or have paid the tax you owe.

You should, however, make arrangements to get your from submitted before the further penalties introduced this year kick in.

If you are more than 90 days late you will accrue a further £10 per day up to a 90 day maximum of £900 when the fines become even more stringent.

If you would like help with your self assessment please give the team at Grange Accounts a call on 01474 325888.

At-A-Glance Tax Guide from April 2011

<u>Income Tax Rates</u>		<u>Corporation Tax</u>	
Personal Allowance	£7475	Small Companies Rate	
Personal Allowance Age 65-74	£9490	£0-300000	20%
Personal Allowance 75+	£9640	Upper marginal rate	
Married Couples Allowance 75+ £6965		£300000-1500000	29.75%
20% Earnings up to £35000		Standard Rate	
40% £35001 - 150000		£1500000+	26%
50% £150000+		<u>Mileage Allowances</u>	
<u>Inheritance Tax</u>		All Cars and Vans	Per mile
Nil Rate	up to £325000	Up to 10000 miles	40p
40%	over £325000	Over 10000 miles	25p
20%	Chargeable Lifetime Transfer	Bicycles	20p
		Motorcycles	25p

BACS payments to Grange Accounts

Grange Accounts offer our clients the convenience of paying by BACS.

You can make your payments online, saving you time and making payment quick, simple and efficient.

If you would like details of how to pay by BACS please give us a call 01474 325888.

Thank you for taking the time to read the February Edition of *Grange News*.

January is a time when tax is high on the agenda with self assessment and payments on account due.

If you have missed either deadline, don't despair but make arrangements to get your forms filed, or money paid as early as possible.

If you are struggling to find the

time to fill in your form we can save you the time and hassle with a simple phone call.

While there seems to be a lot of negative news at the start of 2012 there are still businesses who are flourishing.

If you have some good business news share it with us and we will include it in the March newsletter.

**Tina Barnett
Accountant**