

A Cross Tax Enquiry (Information & Technology)

A Limited Company client, who specialises in the provision of information technology with a turnover in the year to March 2015 of £4.5 million, received a cross tax enquiry into Corporation Tax, PAYE and VAT.

HMRC sent in 3 members of staff to oversee the review of the client's records. The Tax Enquiry Fee Protection Service covered 3 professional advisors who were in attendance at the meeting, thus making the client feel secure in the knowledge they were best represented. After 40 months of copious amounts of protracted correspondence and 3 separate meetings the Corporation Tax and PAYE were agreed with no amendments, and several small amendments to the VAT.

Fees of £10,780 being paid in full by the Tax Enquiry Fee Protection Service.

An Aspect Enquiry (Media & Entertainment)

An actress who had secured a film role which was shot in both the UK and USA, receiving payments from both the UK and the USA (Foreign Tax Credit had been claimed on these payments), received an aspect enquiry notice under S9a TMA1970.

The Inspector requested the sight of the individual's records in respect of foreign interest received, and the documentation on how they arrived at the foreign tax credit relief of £85,000 claimed on the clients return.

After 15 months, two meetings and numerous in-depth letters being passed back and forth between the accountant and HMRC, it was agreed that no amendments were required to the foreign tax credit as submitted.

Fees of £4,850 were paid in full by the Tax Enquiry Fee Protection Service.

An Aspect Enquiry (Property)

A husband and wife had a portfolio of 4 properties, and each received an aspect enquiry notice under S9a TMA 1970. HMRC challenged the rise in expenses for one year.

The husband and wife had, had to evict one tenant due to non-payment of rent and damage to the property. All details of the expenses were provided and HMRC then challenged whether the expenses should be treated as capital or revenue expenses.

As they had taken photographs of the damaged property and with the expenses/ invoices it was possible to satisfy HMRC. Each received a small repayment.

Fees of £3,000 were paid in full by the Tax Enquiry Fee Protection Service

IT Contractor

An enquiry was raised by HMRC into an IT Contractor using his own Limited Company, as to whether he was a genuine Company or whether he was viewed as an employee.

HMRC challenged the contract in place and the working practices. During the enquiry it was established that not only did the IT consultant have full control, but the substitution clause was legitimate and had been enacted.

The enquiry closed with no amendments and the costs of dealing with the enquiry of £1,850 were covered in full.

Bloodstock Owners

An enquiry was raised by HMRC into a Partnership trading in Bloodstock. The Inspector queried the commerciality of the trading activity as opposed to a hobby. After several rounds of correspondence and two meetings, one at the Farm, HMRC agreed that it was being run as a commercial venture.

The enquiry closed with no amendments and the costs of dealing with the enquiry of £3,850 were covered in full.