

## Delivering a cap on income tax relief Response by the Chartered Institute of Taxation

### 1 Introduction

- 1.1 The Chartered Institute of Taxation sets out its comments on the technical consultation issued on 13 July 2012.
- 1.2 The document consults on the mechanisms of delivering a cap on unlimited tax reliefs set at the higher of £50,000 and 25% of income with effect from April 2013.

### 2 Executive summary

- 2.1 The consultation on capping income tax reliefs has commenced after 'stage 2' and before 'stage 3' of the steps set out in the 'Tax Consultation Framework'<sup>1</sup> published in March 2011. It has missed out on two key stages:
- Stage 1 – Setting out objectives and identifying options; and
  - Stage 2 - Determining the best option and developing a framework for implementation including detailed policy design.
- 2.2 Although the consultation document does not ask for comments on the design of the cap, we think that the significant ramifications for businesses in relation to the capping of business losses and related reliefs warrants discussion. Hence, our response covers both the policy design and the technical detail of the proposed cap.
- 2.3 We think that restricting the general use of reliefs will have an adverse effect on genuine businesses and the UK economy. These measures could, for example, make the UK a less attractive place to do business. The net effect could be to reduce the tax take rather than increase it.
- 2.4 The cap could affect most individuals who incur a business loss in excess of £50,000. It is more of a blunderbuss, catching genuine commercial businesses that happen to make a loss one year or are structured in a way that the proposed cap does not cope with.
- 2.5 In particular, the cap may affect the professional services industry, which often has,

<sup>1</sup> <http://www.hmrc.gov.uk/consultations/tax-consultation-framework.pdf>

for commercial or regulatory reasons a combination of structures (eg to ring fence claims or due to a maximum number of partners). Some structures may be loss making and some profit making. Under current legislation these can be offset and the net result subject to tax. These structures cannot be unpicked easily in the short period before the legislation is due to be introduced and restructuring may not make commercial sense.

- 2.6 Other industries that we gather may be affected are in the music and arts. Fledgling artistes are often funded through LLPs that make losses in the early years. With investment in a diverse range of artistes, some of whom become very successful many of the LLPs become highly profitable, As a thriving part of the growth of UK Plc care should be taken not to cut off the investment that feeds them.
- 2.7 Reliefs available to business should encourage entrepreneurship but by introducing a general cap the Government will affect some businesses with genuine losses.
- 2.8 However, we believe that it is possible to target the cap to those individuals on very high incomes that exploit uncapped reliefs whilst at the same time protecting genuine business enterprises.
- 2.9 As structured the cap would potentially come down harder on those with lower net incomes.
- 2.10 While one of the aims seems to be to target avoidance and those few individuals who misuse the reliefs, it has a far wider effect. Avoidance can be targeted through existing provisions.

#### 2.11 *Recommendations*

While we would prefer to see no cap, due to the additional complexity that brings and the potential damaging side effects, we think that, if the Government is minded to proceed with a cap, it could be better designed so as to minimise the effect on business and the economy while still meeting its objective to increase tax on certain taxpayers. Suggestions on how to do this include:

- 2.12 a. Not applying the cap to business losses and business related reliefs
- 2.13 b. Netting off business losses and relief for qualifying loan interest against business profits from other business activities and only applying the cap to the net result.
- 2.14 c. Permitting the carry forward of the net loss that has been capped and set against any of the trades in a later period.
- 2.15 d. Increasing the proposed level of the cap (the £50,000 and/or 25% limits) to ensure it only affects individuals with very high incomes.
- 2.16 e. Consider restricting the cap so that it only applies to individuals on higher incomes (say, those with total income before reliefs in excess of £150,000).
- 2.17 f. Permit one off losses and only apply the cap if reliefs are claimed year after year after year.
- 2.18 g. Netting off reliefs against other earned income (eg so as to allow business losses to be offset against post-cessation receipts or qualifying loan interest on a loan to a company against employment income, etc) and only applying the cap to the net result.

- 2.19 h. Introduce the cap for accounting periods beginning on or after 6 April 2013, instead of for accounting periods ending in 2013/14.

### 3 General comments

#### 3.1 *Tax Consultation Framework*

The Tax Consultation Framework encourages Government to improve the tax system, ensure that changes are properly targeted and their effects understood. If the initial stages of consultation – setting out objectives and identifying options, and determining the best option and developing a framework for its implementation – are omitted the Government risks drafting legislation that is poorly targeted and has detrimental side effects.

- 3.2 The framework says that the Government will consult where it can on policy design. One of the significant benefits of consultation is to determine the likely practical implications of potential policy options.

- 3.3 Even where considering anti-avoidance and other revenue protection measures, the framework envisages that Government will ‘consult, where it can, on the policy design, draft legislation and implementation ... provided this does not present additional risk to the Exchequer.’ It is disappointing that this stage was omitted, even though there does not seem to be any ‘additional risk to the Exchequer’.

- 3.4 By moving directly to the implementation stage we think that the potential affect on genuine commercial businesses and decisions that investors has been overlooked.

- 3.5 However, it is not too late to improve the proposals. We comment below on how this can be done and would urge the Government to review and reconsider the detail of the proposals.

#### 3.6 *UK economy*

The Government set out to make simplification of taxation a priority, yet as fast as simplification is recommended, additional complexity such as this is being proposed, bringing not only burdens on business but other potential effects on the economy.

- 3.7 The Government supported business in the depths of the recession with Time To Pay, the loss carry back extension and a temporary increase in capital allowances. It therefore seems to be at odds with that support to propose something that is anti-business at the very time that the seeds of growth need to be nurtured.

- 3.8 Encouraging investment into UK businesses (whether at start up or during the lifetime of the business) benefits UK Plc. The tax system recognises both the risks and rewards of investment, taxing profits and giving relief for losses.

- 3.9 In providing these reliefs, the tax system effectively recognises that a taxpayer should not be taxed on more income than has been earned. It seems fair for a taxpayer, who is prepared to risk his or her lifesavings in an enterprise, to be able to net off profits and losses and only pay tax on the net amount.

- 3.10 If a fetter were placed on the ability to offset genuine business losses this could suppress UK entrepreneurship and hinder genuine business entrepreneurs who trade through unincorporated businesses.

3.11 A further consequence of the cap will be to influence the choice of structure of new businesses.

3.12 *Tax avoidance*

We understand from HMRC that the reliefs for trade losses and qualifying business loans to be set against general income may be being exploited by a few very high income individuals. The consultation document does not, however, quantify this.

3.13 The consultation document indicates that the cap is not specifically to address tax avoidance. Yet the impression given is that genuine business losses are being treated as tax avoidance. Genuine businesses do not set out to incur losses year on year and as a matter of fairness tax should be paid only once on the profits of a business over its life.

3.14 The relief for trade losses is already heavily qualified: the trade must be commercial and carried on in the expectation of realising a profit. If a loss is generated purely for tax avoidance purposes the tax system prevents or restricts its use: eg, through the restrictions on losses for non-active traders, limited partners and limited liability partners.

3.15 Where reliefs are being exploited through aggressive tax planning arrangements we would accept that such schemes should be targeted and the abuse stopped – we would expect either ITA 2007 section 74ZA (*no relief for tax generated losses*) or the proposed General Anti-Abuse Rule (GAAR) to act as an effective bar to abusive tax avoidance schemes. If the GAAR is not expected to stop this then that highlights other concerns.

3.16 If the real concern is tax avoidance, we think a more targeted approach to compliance and more active challenges to what are allowable losses could resolve the problem.

3.17 It may be time for a more open debate on how much tax the Government think individuals at all levels, including high income individuals, should pay?

3.18 *Impact assessment*

The consultation document quantifies cases where the relief currently claimed is in excess of **both** £50,000 and 25% of income (ie where the taxpayer's income exceeds £200,000). However one of the main concerns is with taxpayers on lower incomes who might be affected by the cap, yet the impact assessment does not indicate the number of claims for relief that exceed £50,000 where their other income is less than £200,000. We understand that this is a smaller number of taxpayers (possibly 10% of the total). It would be a significant and inexpensive gesture to exclude these people from the cap.

#### 4 **Policy: Capping Reliefs**

4.1 A cap set at the greater of £50,000 and 25% of total income still favours the wealthy. Those on *modest* incomes could receive less relief than someone on a substantial income.

4.2 Consequently, the £50,000 cap seems too low. We acknowledge that the £50,000 is per year, so a Current Year/Previous Year claim *could* still relieve £100,000 arising

from a single loss year, if there was sufficient income in both years to absorb it, but we still think that a higher limit of £100,000-150,000 arising in each year of loss would be more acceptable, although in some industries we understand even at that level there could be a detrimental effect on business and employment, so it may need to be higher, say £200,000, in the early years of a business.

- 4.3 We can understand the desire to restrict the availability of reliefs to very high income individuals who pay little or no tax year on year. However, we do not think this should mean that a trader who incurs a loss in one year or in the early years of a business should have his or her relief restricted. Providing relief now helps businesses through short term difficulties and potentially increases the tax take in future years.
- 4.4 If the Government wants to target those on high incomes, then the cap could be restricted for those individuals with high incomes (for example, taxpayers with taxable income before reliefs of over £150,000).
- 4.5 We would also suggest reviewing whether the cap should apply only if reliefs in excess of the cap are claimed year after year after year.
- 4.6 In our view the proposed cap does not currently strike the right balance between encouraging investment and preventing what the Government sees as exploitation. It will hurt genuine businesses that have fluctuating profits and losses, and start-up businesses, rather than those who manipulate the tax system.
- 4.7 Furthermore, unlimited tax reliefs per se do not necessarily cost the Exchequer more in total; it can be that it accelerates the relief. Yet giving relief for a loss now can mean that the relief is at a lower rate than would be the case if the loss were relieved against future profits when there may also be less chance of personal allowances being wasted.
- 4.8 There are a number of provisions that ensure that only genuine trading losses are relieved. In addition to those mentioned above there is, for example, a specific prohibition on farmers that incur year on year losses. It may be that instead of capping trade loss relief, the 6 year rule for 'hobby' farmers could be extended to other traders to prevent the relief from being exploited.
- 4.9 In view of the above, we would recommend a review of the policy framework to ensure that the detailed policy design only affects its intended target.
- 4.10 We now comment on the affect of the policy on particular reliefs:
- 4.11 *Early trade losses relief*
- The existing relief recognises that in the early years a business it can take time to establish the business and turn it into profit. Providing immediate loss relief encourages new business owners to take risks, without which few businesses will grow. Loss relief improves the cash flow, which potentially makes the difference between business failure and survival, allowing a new business become a 'net' payer to the UK Exchequer.
- 4.12 The relief itself, although unlimited in amount, is limited by time as it is only available for first 4 years of trading (ITA 2007 section 72). Also, the relief is only available if the trade was carried on commercially and with a view to realising a profit (see the restrictions under ITA 2007 sections 73, 74, 74ZA and 80).
- 4.13 We would suggest however that if there is evidence of the relief being exploited the

Government should consult on restricting the relief instead of including it in the cap on reliefs generally.

4.14 We also note that the HM Treasury consultation (issued on 18 June 2012) into Creative Sector Tax Reliefs recognised that expenditure in the early years of an activity often exceeds income. That consultation recognised that the UK should support entrepreneurship in these sectors and proposed a tax relief (credit) for the expenditure. It is all the more odd therefore that the Government would wish to remove support for other industries by restricting the relief available to them.

4.15 The reasoning for reliefs such as the Film Tax Relief is that this sort of activity requires significant up-front capital investment. The same can be said for many other activities. We cannot imagine that the Government would want to hinder business investment into these industries.

4.16 *Trade loss relief against general income (Sideways loss relief)*

Most business losses that our members encounter are genuine monetary losses that genuinely reduce income, so we do struggle to understand the rationale for restricting them further.

4.17 For example, if Jenny has income of £100,000 from one partnership and a loss of £60,000 from another, Jenny's total income is £40,000. This is what should be taxed and not the higher artificial sum of £50,000 (£100,000 less a capped £50,000). It would be fair for the tax system to give full relief for the economic loss incurred when that loss arises.

4.18 Unless changes are made the cap will turn some real losses into tax nothings and tax people at much higher rates. Restricting the offset of business losses potentially results in a higher amount of profits being taxed over the lifetime of the business than in fact arose, because some of the loss may be carried forward and never offset.

4.19 There is already a cap on sideways losses that can be relieved for non-active traders and partners. We think that where a taxpayer is actively engaged in running a business on a commercial basis and with a view to realising profits, the ability to offset the loss against general income should not be restricted.

4.20 If the Government still considers that it is necessary to restrict sideways loss relief we suggest that profits and losses from multiple businesses (see below) should be netted off against each other and other earned income prior to the cap being applied and that the limit of £50,000/25% of income is reviewed.

4.21 This approach would be consistent with the trade loss relief that preceded the current general loss relief provisions – the ability to offset a loss from one trade against a profit from another was only abolished when the loss relief against general income was introduced (as it then became superfluous).

4.22 If trade loss reliefs are to be capped the original reasoning for the trade-to-trade loss relief provision becomes valid again and we think this should be reintroduced.

4.23 Also, restricting relief for genuine losses potentially results in accelerated tax bills and reduced income after tax - In example 2 of the consultation document, Raj's income after tax would fall to such a low level that it would almost certainly restrict his ability to invest in a new business venture, effectively stifling growth.

4.24 *Multiple businesses*

We do not think the cap on offsetting trade losses against general income should be

applied until the profits and losses, including relief for interest, from all trades, professions and vocations etc have been amalgamated or set off against other earned income.

4.25 For example, Mrs A has:

	£
a profit as a sole trader (farm shop)	80,000
a loss from a partnership with her brother	(150,000)
a profit from an LLP	20,000
a loss from a family farming partnership	(10,000)
	<u>£(60,000)</u>

We think that the results should be aggregated to provide net loss of £60,000. If a cap is to be imposed it should be the £60,000 net loss that is capped, not the £160,000 gross loss.

4.26 In effect, there should be no cap on a loss from one trade utilised by being offset against a profit from another.

4.27 *Farming businesses*

The farming community has been encouraged to diversify its activities, resulting in some farms being run as a combination of different businesses with different structures (sole trades, different partnerships and perhaps a limited company, depending on the location in the UK and on who is involved). As a result, one person's overall result may be say a small profit, but it may have several elements, some of which could be affected by the cap, resulting in a taxable income well in excess of the commercial net income.

4.28 *Art and music*

We think HMRC/HMT need to take a close look at these industries too. Has the Government considered the effect on investment into these industries if a cap is introduced? Such enterprises require significant investment up front; they can be risky but can produce significant revenue for UK Plc and for the Exchequer. Some entities are set up as LLPs with a high minimum investment per partner, which would potentially be caught by the cap. Choking investment by active investors could harm the industry at a time when it is finding jobs for young people.

4.29 *Professional service firms*

The sideways loss relief provisions may adversely affect partners in a number of professional service firms, particularly those which operate overseas and have a global profit pool. In such cases regulatory restrictions mean that it is common to have a number of partnerships, some of which make profits and some losses. Global profit sharing is achieved by having "Valve Partners" ie partners who are partners/members in the entity through which they practise and partners/members in other partnerships.

4.30 For example, a Valve Partner who is to receive an overall profit share of £100,000 may be allocated:

	No cap £	With proposed cap £
Profit share - Entity X	170,000	170,000
Loss share - Entity Y	(70,000)	(50,000)
Net profit share	<u>£100,000</u>	<u>£120,000</u>

The Valve Partner would obviously expect to pay tax only on the net income of £100,000. If the relief is limited to the highest of £50,000 or 25% of £170,000 (ie £50,000), tax would actually be charged on £120,000, a full £20,000 income more than received and due.

4.31 The practice of using 'valve' partners could theoretically be solved by admitting a large number of partners as valve partners in Entity Y, so that more partners receive fewer losses each and the cap is not breached. This would be a significant administrative inconvenience for both the taxpayers and HMRC, and non-UK regulatory restrictions would often restrict the extent to which this is possible. It may also expose more partners to potential losses and make joining a professional partnership less attractive.

4.32 The consultation document does not break down the impact assessment figures to indicate how many claims for sideways loss relief there have been that exceed £50,000. We think this should be established before the relief is capped.

4.33 *Post-cessation trade relief*

We are unclear what the mischief is that requires post-cessation trade relief to be restricted. In our view if the expense would have qualified for relief if it had been incurred whilst the trade was carried on then it is fair to allow relief against either other trading income or general income post-trade.

4.34 It should also be noted that where a trade is discontinued but there is a post-cessation receipt, it will be taxed as other income and not trading income. Consequently, an unrelieved trade loss arising in the period to cessation might not be deductible from the post-cessation profit and might not be relieved at all.

4.35 *Terminal losses - Overlap profits*

Traders may have suffered double taxation on early years' profits or on the move to self assessment. These overlap profits are fixed, and essentially capped, at the time they arise and the tax is paid.

4.36 The relief on cessation of a trade for these overlap profits can create or increase a terminal loss (or reduce a profit). If this net loss cannot be offset against other income (due to the cap), nor relieved under the terminal losses provisions, then there is no other way the loss can be relieved, resulting in the business paying tax on accumulated net income greater than it has earned over its life contrary to Government assurances.

4.37 This could happen where the partner has been winding down his activity in the partnership but starts to take a significant pension against which relief could be given were it not capped.

4.38 We therefore think that terminal loss relief should be reviewed as the inability to obtain relief for losses on cessation of a trade restricts options when considering restructuring business activities. If losses on cessation (and post-cessation losses) could be offset against profits from subsequent trades this would enable failing businesses to be wound up and more profitable activities to be expanded.

4.39 *Qualifying loan interest – Partnerships and companies*

Restricting the relief will discriminate against people operating through a partnership rather than as a sole trader or where banks prefer to lend to the individual rather than



a company.

- 4.40 A sole trader can deduct the loan interest as an expense from his profit; yet a partner has to treat the loan interest as part of the reliefs that are due to be capped, hence restricting the amount of say other losses available for relief.
- 4.41 Where the business obtains the loan direct and, say, the partner guarantees the loan, then the interest will continue to be allowable. So the effect of the cap will be to require the business itself to renegotiate its finance every time there is a change in the partnership, rather than merely require the leaving or joining partner to deal with this. This seems an unnecessary additional burden on business at the very time when borrowing money can be difficult.
- 4.42 We therefore suggest that qualifying loan interest for someone who is an active partner (within the meaning of the £25,000 sideways loss restriction) or a full-time director or employee of a company should be outside the scope of the rules. Otherwise, this may mean that partners who currently pay significant amounts of interest on their partnership loans may need to restructure those loans before 6 April 2013, to ensure their loan interest does not exceed 25% of their income.

4.43 *Qualifying loan interest – Company share schemes*

Where a company lends money to an employee to buy shares in the company there is an income tax charge (under Part 7 Chapter 3C ITEPA 2003) on a notional loan (interest thereon). Equally the employee is entitled to relief for qualifying interest on the notional loan interest. As such, one cancels out the other.

- 4.44 The cap, however, would potentially result in a tax charge arising without the corresponding relief necessarily being given in full (if at all). This change will hit smaller entrepreneurial companies which may not be able to pay large salaries, but compensate by having share arrangements whereby the management hope to participate on an exit if the company does well.
- 4.45 The change will also be retroactive – the arrangement may have been entered into already and it may be another 5 years or so before the taxpayer can exit from it.
- 4.46 We suggest that the cap on relief should be disapplied where there is a corresponding amount charged as income.

4.47 *Property loss relief against general income*

It is only possible to offset a property loss against general income where the loss arises from a Capital Allowances claim (or from an agricultural activity). Thus, loss relief against general income is only available where the property owner invests in future of the property business. We do not therefore believe that the Government should discourage landlords from investing in their properties by restricting the loss relief against general income. Can HMT quantify how common this issue is and whether it warrants legislation in this area?

4.48 *Share loss relief*

Investments in new businesses, including EIS, are less risky and hence more attractive if any losses on the shares can be offset against the investor's income tax liability. Removing that incentive might affect the number of investors prepared to take such risks in the future.

## 5 Technical: Operation of the cap and consultation questions

### 5.1 **1 Do you agree that a new definition of adjusted total income for the purposes of the cap is required?**

A new definition does add to the complexity of the tax system but we agree that, for example, it would be unfair to penalise those who donate to charity through payroll giving. Thus, we agree that a new definition will be required.

### 5.2 **2 Do you consider that the definition of adjusted total income for the purposes of the cap – set out in paragraphs 3.6 to 3.11 – achieves the required parity between different pension arrangements? Please explain your answer.**

The definition does achieve parity at the expense of a reduced cap for individuals with incomes over £200,000 that contribute to pension schemes. There is a case for the cap to be calculated on the 'true' total income before reliefs are deducted and not net of one particular relief (pension contributions).

5.3 However, the proposal to compute the cap net of pension contributions is the most straightforward option, and the simplest to implement. Hence, we would agree it is the sensible option.

### 5.4 **3 Do you consider that the proposed mechanism for allowing relief obtained via Payroll Giving to be included in the definition of income is satisfactory? Please explain your answer.**

We would agree that there should be a level playing field for the different methods of donating to charity. Adding back payroll giving achieves this and consequently appears to strike the right balance between fairness and complexity. It is at the cost of a small additional burden on affected taxpayers, but it would be their choice whether to endure that burden to benefit from a claim,

### 5.5 **4 Do you see any opportunity for errors or misunderstanding in the application of the cap? If yes, please suggest how you believe HMRC guidance or processes could help manage this.**

Where a taxpayer has multiple businesses and a loss arises in more than one business we assume that, as now, the individual can specify how the loss relief is being utilised.

5.6 If the unused losses can only be carried forward and offset against future profits from that trade we can see more problems arising.

5.7 This problem could be eliminated if losses from any business activity could be offset against profits from another activity. This would simplify the burden of keeping track of which losses have been relieved.

5.8 The consultation document does not however address this issue and it implies that profits and losses from different trades cannot be offset against each other. Yet the consultation document highlights that amounts from certain income streams can be deducted from that stream without being capped. It does therefore seem unfair that business profits and losses cannot be added together as a single income stream.

5.9 This issue could be avoided if trade profits and losses (and qualifying loan interest) were added together as a single income stream before the cap is applied to general income.

5.10 **5 Do you have any further comments on the practicalities of calculating or applying the cap?**

We think that there will need to be transitional provisions to deal with arrangements that have already been entered into where it would be inappropriate to restrict relief (see above).

5.11 It is unclear how the cap will be calculated where a claim is made to average business profits. Is the cap based on total income before or after the averaging claim? Will the cap have to be recalculated (and claims for relief revised) where the previous year's profit is averaged?

5.12 *Timing*

The cap is due to come into effect from 2013/14. For some businesses the accounting period ending in 2013/14 will have already started (eg those with a 30 April year end) and investment decisions are being made. This means that some businesses are effectively already subject to the cap and may have made decisions without realising the effect the cap will have on their decisions.

5.13 One solution to this problem is to introduce the cap for accounting periods beginning on or after 6 April 2013, instead of for accounting periods ending in 2013/14.

5.14 We hope that the policy on the cap is reviewed and that its design will be significantly changed. However if it proceeds, especially if it is as proposed in the consultation document, then businesses with, for example, 30 April year ends need certainty and guidance on how the cap is to operate now.

6 **Tax Impact Assessment (TIA): Consultation question**

6.1 **6 Are there any other impacts not set out in the assessment above?**

We think that there could be a significant economic impact if the cap acts as a fetter on business investment. It may deter some start-ups and other business investment that require significant capital introduction, etc.

6.2 We think more work is needed to assess the potential impact on businesses across a variety of sectors. We have identified particular issues for a few industries (professional services, agriculture, music and the arts) but there are no doubt others.

6.3 We also think that a greater number of individuals could be affected than has been anticipated as, potentially, the cap will affect anyone in business who incurs a loss in excess of £50,000, whereas the TIA only seems to address those on an income in excess of £200,000.

6.4 Finally, we note that the TIA anticipates only a negligible increase in revenue in 2013/14. We assume that this is a timing issue, relating to tax due in that year, based on profits of the previous year.

7 **The Chartered Institute of Taxation**

7.1 The Chartered Institute of Taxation (CIOT) is the leading professional body in the P/tech/subs-final/OMB&MOT

United Kingdom concerned solely with taxation. The CIOT is an educational charity, promoting education and study of the administration and practice of taxation. One of our key aims is to work for a better, more efficient, tax system for all affected by it – taxpayers, their advisers and the authorities. The CIOT's work covers all aspects of taxation, including direct and indirect taxes and duties. Through our Low Incomes Tax Reform Group (LITRG), the CIOT has a particular focus on improving the tax system, including tax credits and benefits, for the unrepresented taxpayer.

The CIOT draws on our members' experience in private practice, commerce and industry, government and academia to improve tax administration and propose and explain how tax policy objectives can most effectively be achieved. We also link to, and draw on, similar leading professional tax bodies in other countries. The CIOT's comments and recommendations on tax issues are made in line with our charitable objectives: we are politically neutral in our work.

The CIOT's 16,500 members have the practising title of 'Chartered Tax Adviser' and the designatory letters 'CTA', to represent the leading tax qualification.