

VALUE ADDED

Now you have read this issue of *Taxation*, be sure that you and your staff make the most of it!

Assign any action points to members of staff by entering the staff member's initials in the box alongside it, then filling in the circulation list. You and your staff can then convert your reading into a more structured form of CPD by taking the online quiz, which will give you a record of your score by email – the notes below will help you check before starting that you remember the key points!

If you do not have staff, then use this page as a reminder for yourself to plan any action that you need to take, and to complete the online CPD quiz to verify what you have learned.

CPD ONLINE

The online CPD quizzes can be accessed at www.lexisurl.com/taxcpd. Before taking this week's, check that you have read the items referred to below.

- [1] In *Eric Newman Developments Ltd*, the First-tier Tribunal decided the taxpayer was an employee, rather than self-employed. Which test of self-employment did it find not to be conclusive in its findings?
- [2] In her article looking at actors' expenses, Nichola Ross Martin explains that in *T Healy (TC1940)*, the judge did not allow the appellant's claims for food and taxis. Can you remember what the reason was for this?
- [3] Keith Gordon's article looks at question 6 on the form P35. If they do not want to answer the service company question on the electronically submitted form P35, what are employers asked to do?
- [4] To be caught by the disguised remuneration rules, Iain Robertson explains that four conditions must apply to the arrangement. This question tests your recall of what those conditions are.
- [5] The Public Bill Committee discussed the main rate of corporation tax which was reduced in April 2012, and will be reduced again next year. Do you know what the current rate is?
- [6] There were a number of tax cases mentioned in the replies to the Readers' Forum query 'LLP premises' (page 23). In which one did the judge hold that literary rights were not trading stock?

CIRCULATION

NAME	READ X
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ACTION POINTS

- [1] Review your clients with unsettled *Mansworth v Jelley* claims. Have HMRC sent another letter recently requesting further information, as mentioned in the news item 'More on *Mansworth*'? Think what action you should take: is a judicial review appropriate (page 3)? INITIALS
- [2] In *Mrs P Valentine*, the wife was successful in persuading the tribunal she had not been in partnership with her husband. The case emphasises the importance of maintaining clear records, so ensure that your clients are up to speed with record-keeping requirements (page 4). INITIALS
- [3] While there is no definition of 'itinerant' in ITTOIA 2005, s 57A, you or your firm should have a clear policy on when you do or do not claim subsistence expenses for clients. Write this down, together with the statutory and case-law evidence to back it up, and make sure all staff know and apply it consistently (page 6). INITIALS
- [4] Tell clients immediately that they do not have to answer the service company question on the employers' end-of-year form P35 if they do not want to. Also make sure staff know not to answer it when they prepare the forms for clients (page 10). INITIALS
- [5] Do any of your clients still use employee benefit trusts to reward their employees? Check to see if the arrangements are caught by the disguised remuneration rules in ITEPA 2003, part 7A and if they are, how the effects can be mitigated (page 12). INITIALS
- [6] Do you have clients who are being drawn into higher rate tax as a result of fiscal drag? Check if they are making full use of the reliefs available to them, e.g. higher rate relief on charitable donations, to try to keep them in the basic rate band (page 17). INITIALS
- [7] Only or main residence relief often crops up in readers' queries (see 'Homeward bound', page 24). Perhaps now would be a good time to ensure that you and your staff understand the rules in TCGA 1992, s 222 et seq (page 23). INITIALS

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