

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 our news section this week there is a summary of the NAO report on the tax collected by HMRC. Pay close attention to the section dealing with VAT receipts.
- [2] There are some strange rules in the new child benefit clawback charge, which Mike Truman examines in his article 'Slow-motion car crash'. Look for the strangest of them all, and you should have no problem answering this question!
- [3] Control was the subject of Nichola Ross Martin's article. you need to look closely at the ways in which one person can be considered to control a company before you start thinking about two or more people.
- [4] It seems a long time ago that we were promised a £1 million nil-rate band for inheritance tax. In Allison Plager's report of the Finance Bill committee discussions, you will find an explanation of what we can expect in these more troubled times.
- [5] In our Meeting Points, you are looking for things which will be of help to taxpayers, rather than the tax principles which help HMRC.
- [6] The forum question to pay attention to is the one that deals with exchanges of property. There are some which will not qualify; make sure you understand which ones they are.

CIRCULATION

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ACTION POINTS

- [1] The Court of Appeal in *Schofield* decided that *Ramsay* applied and the taxpayer's step-by-step approach was wrong. HMRC have claimed a great victory as a result of this decision, so it may be helpful to emphasise to clients that avoidance schemes which look appealing will be scrutinised carefully by the department and possibly the courts (page 4). INITIALS
- [2] Make sure that all your clients earning over £50,000 are prepared for the impact of the child benefit charge. For those who will actually have to pay the charge, decide whether it is appropriate to elect not to receive payment of the benefit. Consider very carefully, and brief staff on, how you are going to deal with queries about your clients to establish who has the higher income, which may come from their partners/spouses or from other firms acting for them (page 7). INITIALS
- [3] If spouses or civil partners are both in business using their own limited companies, have you considered whether these are associated for tax purposes? Do not forget to consider the various definitions of 'substantial commercial interdependence' (page 9). INITIALS
- [4] Now that the inheritance tax on estates is discounted by 4% if 10% is bequeathed to charity, it might be worth sending a briefing to clients with wills, suggesting that this might be a consideration, particularly if they have an affinity with a particular charity (page 12). INITIALS
- [5] Note that it is very difficult to retrospectively apply to join the VAT flat-rate scheme so ensure that calculations are prepared for those becoming registered. That said, the main aim of the scheme is to reduce administrative costs (page 16). INITIALS
- [6] It may be tempting to transfer property between spouses or civil partners to take advantage of reduced rates of income tax. However, bear in mind that there may be other tax issues, for example will potential capital gains tax reliefs be lost or could there be VAT or stamp duty land tax implications (page 20)? INITIALS

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