

# Broadcast

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Personal & Business Taxation – Audit & Assurance – Accounting & Business Services



## Government announces significant changes to Making Tax Digital plans

**HM Revenue & Customs (HMRC) has announced considerable changes to its plans for Making Tax Digital (MTD).**

The government stated that it is committed to ensuring a 'smooth transition to a digital tax system'.

Following the changes, initially only those businesses with a turnover above the VAT threshold of £85,000 will be required to keep digital records and make quarterly reports to HMRC, and only for VAT purposes. VAT already requires quarterly returns, so businesses will not need to provide updates any more regularly than they do now. These businesses will need to begin keeping digital records for VAT from April 2019.

Businesses and landlords with a turnover below the VAT threshold can opt to utilise the system if they so wish, but businesses will not be required to keep digital records or update HMRC quarterly for other taxes until 'at least 2020'.

HMRC intends to pilot Making Tax Digital for VAT on a small scale by the end of this year, and will introduce wider live piloting from Spring 2018.

Business groups have broadly welcomed the changes to the MTD timetable. Mike Cherry, National Chairman of the Federation of Small Businesses (FSB), said: 'The exemption of the very smallest firms below the £85,000 turnover VAT threshold has been [the] FSB's top priority for reform, and now millions of business owners will be relieved.'

'This is a positive decision, and will be a real lifeline for small firms already facing a hugely challenging economic climate.'

The changes to MTD will be legislated for as part of the forthcoming Finance Bill, which is due to be published in the Autumn.

For all the latest news...

## Business groups react to Taylor Review of employment

Business groups have reacted to the recommendations of the Taylor Review into modern-day employment practices, which sets out the key principles for providing 'fair and decent work for all'.

The review suggests that a national strategy is needed to help provide security in such areas as wages, quality of employment, education and training, working conditions, work-life balance and the ability to progress at work.

Recommendations for the government include implementing strategies to ensure that workers don't get 'stuck at the living wage minimum', initiating a review focusing on providing employees with 'good work', and avoiding an increase in the non-wage costs involved in employing an individual, such as the Apprenticeship Levy.

The review also highlights the so-called 'gig' economy, recommending the creation of new 'right to request' guaranteed hours, and the introduction of the term 'dependent contractor' to replace the term 'worker', with the aim of capturing those who are currently classed as self-employed, but who work for firms

which have a 'controlling and supervisory' relationship with their workers.

Business groups have given mixed reactions to the report's findings, with many welcoming the focus on labour market flexibility, but also warning that some areas, including the plans to rewrite employment status tests, are a cause for concern.

Commenting on the report, Dr Adam Marshall, Director General of the British Chambers of Commerce (BCC), said: 'The world of work is changing, and it is only right that employment law and practice change with it. Matthew Taylor has rightly recognised that the UK's flexible labour market is a great source of strength and competitive advantage, but has also recommended some common-sense changes where grey areas have emerged in recent years.'

However, the Trades Union Congress (TUC) warned that the review 'is not the game-changer needed to end insecurity and exploitation at work'.

## Other news in brief

### Report suggests summer childcare costs have risen significantly

A report published by the Family and Childcare Trust has revealed that summer childcare costs in England have risen by 5% since last year.

### Government brings forward rise in state pension age

The government has announced that the rise in the state pension age from 67 to 68 will be phased in between 2037 and 2039, earlier than previously planned.

### Cybercrime a bigger concern for SMEs than Brexit, research suggests

Research published by Barclaycard has suggested that small and medium-sized businesses are more concerned about the risks that cybercrime poses to their business than those put forward by Brexit.

### Significant number of government suppliers sign up to Prompt Payment Code

32 of the government's biggest suppliers have signed up to the Prompt Payment Code, thereby committing to pay 95% of their invoices within 60 days.

## ESSENTIAL TAX DATES FOR AUGUST

### 2 August

Deadline for submitting P46 (car) for employees whose car/fuel benefits changed during the quarter to 5 July 2017

### 19 August

PAYE, Student loan and CIS deductions are due for the month to 5 August 2017

### 24 August

Deadline for employment related securities returns for 2016/17

## QUOTE OF THE MONTH

'These small charges can really add up and this change will mean shoppers across the country have that bit of extra cash to spend on the things that matter to them.'

*Stephen Barclay, Economic Secretary to the Treasury*