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

EXPERTS CALL FOR INTRODUCTION OF ‘PUDDING TAX’ TO COMBAT SUGAR CONSUMPTION

Public health experts have called for the government to introduce a so-called 'pudding tax' in order to help tackle high rates of sugar consumption amongst children.

The calls for the introduction of a pudding tax come following the recent publication of research which suggested that the average child consumes 18 years' worth of sugar by the time they reach the age of ten. The tax would cover such foods as biscuits, sweets and cakes, and would aim to encourage manufacturers to reduce the sugar content in their products.

Dame Sally Davies, Chief Medical Officer for England, is backing the introduction of a pudding tax. She recently stated that more taxes on unhealthy foods need to be introduced, as she is 'not yet convinced' that manufacturers can be relied on to reduce sugar content voluntarily.

The government is already taking steps to combat childhood obesity and high rates of sugar consumption amongst children. In April 2018, it introduced the Soft Drinks Industry Levy, which applies to the packaging and importation of soft drinks containing added sugar. 457 manufacturers are currently signed up to this levy.

Official data recently revealed that the Levy generated £153.8 million for HMRC by the end of October 2018. Traders pay one of two rates: either the 'standard rate' of 18p per litre, which applies to drinks with sugar content between five grams and up to (but not including) eight grams per 100ml, or the 'higher rate' of 24p per litre, which applies to drinks with sugar content equal to or greater than eight grams per 100ml.

Commenting on the data, Robert Jenrick, Exchequer Secretary to the Treasury, said: '[The] figures show the positive impact the soft drinks levy is having by raising millions of pounds for sports facilities and healthier eating in schools, as well as encouraging manufacturers to cut sugar in over half the drinks found in UK stores.'

HMRC extends MTD for VAT pilot scheme to all eligible businesses

HMRC has extended its Making Tax Digital for VAT (MTD for VAT) pilot scheme to all eligible businesses.

MTD for VAT is set to come into effect from 1 April 2019 for businesses which have a taxable turnover above the current VAT registration threshold of £85,000. As part of the initiative, firms must keep some records digitally, and must submit their VAT returns via an Application Programming Interface (API).

Any business utilising MTD for VAT whose turnover subsequently falls below the VAT threshold must stay in the regime, unless they deregister for VAT. Additionally, any firm exceeding the registration threshold after 1 April 2019 must comply with MTD for VAT, and is given 30 days to ensure that the appropriate digital software is in place.

As part of the pilot scheme, all eligible businesses are permitted to test out HMRC's MTD for VAT system. The pilot scheme was first launched in April 2018, and was subsequently opened to half a million UK firms in October 2018. Commenting on the pilot scheme, Clare Sheehan, Deputy Director for MTD for Business, said: 'The MTD pilot is now available to all businesses who will need to use the service from April. This marks a significant milestone towards our delivery of a modern tax administration.

'We encourage all eligible businesses to join and try out the service before they are mandated to use it.'

Meanwhile, HMRC recently confirmed that Brexit will not affect the introduction of MTD for VAT. Experts previously suggested that HMRC would have to delay the introduction of MTD for VAT if the UK was to leave the EU without a Brexit deal.

However, in a recent letter, Jim Harra, Deputy Chief Executive of HMRC, wrote: 'Our system is already live and by the end of February we'll have written to every affected business, encouraging them to join the thousands of others who have registered.'

ESSENTIAL TAX DATES FOR FEBRUARY

2 February
Deadline for submitting P46(car) for employees whose car/fuel benefits changed during the quarter to 5 January 2019.

19 February
PAYE, Student loan and CIS deductions are due for the month to 5 February 2019.

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Nunn Hayward website has a new dedicated BREXIT AREA

We have been waiting for politicians to provide a definitive, agreed format for our withdrawal from the EU. Thus far, this has not been forthcoming. Leaving aside the political considerations, what will this mean for your business? What will the practical changes be? With this in mind we have developed a range of documents that may assist you with this:

Brexit – impact for UK residents, businesses and expats

Brexit – business fitness planning

Brexit – import/export changes

Finally, we have also created a '**Count-down**' document that sets out what we feel you should be doing in the weeks leading up to the 29th March 2019.

All these can be found on our dedicated BREXIT section of our website www.nhllp.com