



## CHANCELLOR ASKS OTS TO REVIEW CAPITAL GAINS TAX

Chancellor, Rishi Sunak, has asked the Office of Tax Simplification (OTS) to carry out a thorough review of capital gains tax (CGT).

In a letter to the OTS, the Chancellor requested that the independent office review CGT and aspects of the taxation of chargeable gains in regard to individuals and small businesses. Mr Sunak requested that the review identifies and offers advice on the opportunities to simplify the taxation of chargeable gains to 'ensure the system is fit for purpose'.

In the letter, the Chancellor said that he would be interested in proposals from the OTS on the regime of allowances, exemptions, reliefs and the treatment of losses within CGT, in addition to the interaction of how gains are taxed compared to other types of income.

The OTS recently published a call for evidence in the form of an online survey, which seeks to gather views on CGT. The OTS wants to hear from businesses, individuals, professional advisers and representative bodies on which aspects of CGT are complex and difficult to get right, as well as suggestions in regard to how the tax can be improved.

The call for evidence comes in two sections: the first seeks high-level comments on the principles of CGT by 10 August 2020, while the second and primary section of the document invites more detailed comments on the technical detail and practical operation of CGT by 12 October 2020.

More information on the survey can be found [here](#).

## HMRC scraps benefit-in-kind charge on COVID tests

The Government recently scrapped plans to get workers to pay income tax on COVID-19 testing kits purchased by their employer.

HMRC issued guidance on 6 July which outlined that COVID-19 testing kits were to be classified as a taxable benefit-in-kind. However, the Treasury Select Committee criticised this decision and highlighted that tax bills could build up as employers purchase large numbers of tests.

Mel Stride, Chair of the Treasury Select Committee, said: “Many employees, especially healthcare and hospitality workers, are required to undergo regular coronavirus testing. Many of our key workers could be faced with the perverse incentive of avoiding employer-sponsored tests in order to reduce their tax bill. This cannot be right.”

HMRC guidance states that if an employer is providing antigen testing kits to their employees outside of the Government's national testing scheme, either directly or by purchasing tests that are carried out by a third party, no income tax or Class 1A national insurance contributions (NICs) will be due.

Information on the tax treatment of certain expenses and benefits provided to employees during the pandemic can be found [here](#).

## Returning to the new normal – starting to think about reopening

Here at Nunn Hayward, all of our teams have been working remotely from home since lockdown, conducting meetings via video conferencing facilities and telephone communications. As many have encountered, the experience over the last few months has been a learning process; one that at times was difficult to navigate. However, we have relied very heavily on the determination from our fantastic staff to meet client needs. It was this support and perseverance that meant we were confident we could continue to offer a high quality service throughout this period.

And now, with recent updates from the Government, we have enacted steps to conduct our back-to-office transition.

As a means to ensure the workplace is as safe as possible for staff, clients and anyone else who visits we have made sure to follow any and all Government guidelines on working safely during Coronavirus on GOV.UK (More details can be found [here](#)).

With this in mind, and our clients safety at the forefront of everything we do, we have ensured necessary precautions are being provided to aid with this transition. We will keep you updated on our progress and how we foresee future client meetings, communications going forward.

We very much look forward to seeing you all again soon.

### ESSENTIAL TAX DATES FOR AUGUST

#### 2 August

Deadline for submitting P46(Car) for employees whose car/fuel benefits changed during this quarter to 5 July 2020.

#### 19 August

PAYE, Student loan and CIS deductions are due for the month to 5 August 2020.

### Download our Summer Economic Update

We have a detailed summary of the Chancellors Economic Update.

Download it [HERE](#):