



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

13 July 2018

Angela Knight and Paul Morton  
Office of Tax Simplification  
1 Horse Guards Road  
London  
SW1A 2HQ

Dear Angela & Paul

Office of Tax Simplification further review of the Business Lifecycle

I am writing to acknowledge the OTS's recent interest in undertaking a further report into the life of a small business. Many small businesses find it complex and burdensome to fully understand their tax obligations which in turn leads to potential concern and error. Therefore, I would like to request that the OTS carry out a review in this area. I would be most interested to hear any proposals you may have for simplification of tax-related issues in the day-to-day life of a small business which can cause administrative complexity.

The review should include a focus on the reasons for error by a small business, such as the clarity of guidance or tax administration issues. You should also look at other practical tax-related areas such as how the tax system helps businesses manage their cash flow or the tax administrative impact of taking on an employee.

I look forward to agreeing the detail of the scoping document in the coming weeks.

Thank you for your ongoing work in reviewing the tax system and striving to make it simpler, fairer and better.

PHILIP HAMMOND