

Written Ministerial Statement

Publication of planned tax consultations

The Exchequer Secretary to the Treasury (Mr David Gauke): Budget 2012 announced a number of tax policy changes that will be subject to consultation. HM Treasury and HM Revenue & Customs are today publishing the following documents:

Simpler income tax for the simplest small businesses – A consultation on proposals for introducing a voluntary simplified cash basis for income tax and simplified arrangements for certain expenses for small unincorporated businesses. The Government is also today publishing the response to the Office of Tax Simplification's *Small business tax review: final report*.

Consultation on an 'above the line' credit for research and development – A consultation on proposals for implementing an above the line research and development tax credit.

Proposed changes to the tax rules on manufactured payments – A consultation on proposals to simplify the tax rules on manufactured payments, including the rules on manufactured overseas dividends.

Possible changes to the income tax rules on interest – A consultation on proposals for changes to income tax rules on the taxation of interest received, and rules on the deduction of tax from interest paid.

The following consultations are due to be published before Parliament returns from recess on 16 April:

Week commencing 2 April 2012

Real estate investment trusts (REITs) – A consultation on (1) the role REITs can play in supporting the social housing sector; and (2) the tax treatment of REITs investing in REITs.

Remote gambling – A consultation on the design characteristics of a place of consumption based taxation regime for remote gambling.

Herbal smoking products – A consultation on bringing the tax treatment of legally available herbal smoking products in line with the treatment of those containing tobacco.

Details of these and other planned consultations are included in a consultation tracker, available from the HM Treasury website: http://www.hm-treasury.gov.uk/tax_updates.htm The tracker includes specific anticipated launch

dates wherever possible, to help representative groups and others manage their engagement with the Government on tax policy development. HM Revenue & Customs and HM Treasury will discuss the timing of consultations with these groups.

Any changes to the dates mentioned above will be publicised on the tax consultation tracker.

HM Treasury
27 March 2012