RECOGNITION POINT FOR ALL TAX AND DUTY HEADS

TAX OR DUTY HEAD	BRIEF DETAILS	RECOGNITION POINT
Income Tax	The two main components of personal income tax are PAYE (including PAYE paid by higher rate employees) and self assessed income tax (self employed and balance of higher rate employees). Student loan recoveries are also collected via PAYE. Income tax collected at source is paid over by employers to the Inland Revenue by the 19th of the month following the month of collection from the employee for non electronic payments and 22nd of the month following the month of collection for approved electronic payment methods. Final, annual returns are due to HMRC by 19th May (22nd May for electronic payments), after which time employers will issue P60s to employees. HMRC carries out a reconciliation exercise in October and identifies any amounts due to or from the employer in respect of PAYE income tax for the year. Details of the self assessed income tax for the higher rate employee, and therefore the amount due to or from the taxpayer, will not be available until approximately one year after the tax year to which the tax return relates. The self-employed pay income tax in instalments based on their self assessed liability for the previous year. Tax deducted from savings income by banks and building societies is due quarterly in respect of interest credited to depositors' accounts in the previous quarter. The due date is normally the 15th day of the month following the end of the quarter – for banks, calendar quarterly. Building societies' quarters end in November, February, May and August.	PAYE income tax (and income tax relating to higher paid employees otherwise covered by the self assessment system) collected, and amounts due to or from employers, for the tax year just ended will be available in the October following the end of the tax year – in time for the financial year with which the fiscal year is (almost) coterminous. PAYE income tax is accounted for on an accruals basis. Self-assessed income tax (for those who pay by instalments) will be deemed to accrue evenly over the tax year in which the relevant accounting period ends. The accrual will be based on the two payments on account (received in the January in the tax year and the July following it), with a statistical estimation of the balancing payment, net of repayments, due in the January of the year following the end of the tax year. Tax deducted from savings income will be deemed to accrue evenly over the quarter for which the tax is due. For any quarter straddling the WGA financial year-end, the appropriate proportion of duty will be accounted for in that year. Company income tax will be deemed to accrue evenly over the quarter to which the tax relates. Amounts due for the quarter ending March will be accrued in the financial year,

TAX OR DUTY HEAD	BRIEF DETAILS	RECOGNITION POINT
	Company income tax is deducted by companies and other paying agents on distributions other than dividends. The tax is on the 15^{th} day of the month following the end of the calendar quarter.	
Income Tax (Repayment)	Most income tax repayments are made following a claim. The timing and frequency of these claims vary according to the type of repayment. Repayments on tax relief for contributions to personal pensions and the investment income on PEPs are generally made monthly.	A provision will be made for repayments of income tax (other than self assessed income tax – netted off self assessed income tax as part of the statistical estimation) that will be made in years subsequent to the financial year. For self assessed income tax, repayments will be accounted for when the payment is made i.e. on a cash basis. Other categories of income tax not specifically mentioned (for example, Investigation settlements and Foreign and Colonial) will be accounted for on a cash basis. Any changes in the tax rate will be partly reflected in the financial year in which the change takes effect (PAYE element). The impact of any tax rate change on any final payment/repayment will not be reflected until the financial year after the year in which the change takes effect.
Tax Credits	Child Tax Credit (CTC) provides income related support for children. Working Tax Credit (WTC) provides support to people on low incomes including a childcare element, if applicable. Child Tax Credit and Working Tax Credit payments are provisional until entitlement is finalised after the financial year-end by the Department's renewals process. Any resultant underpayments are paid as lump sums, any overpayments recovered from future tax credit awards or through a repayment agreement.	Tax credits are recognised in the tax year in which they are authorised. Authorisation is the point at which the obligation to pay the tax credit rises.

TAX OR DUTY HEAD	BRIEF DETAILS	RECOGNITION POINT
	Any under or overpayments still o/s at year-end are shown as debtors or creditors at 31 March.	
Corporation Tax	Corporation Tax is split between CT for the larger tax payers and those tax payers regarded as small companies. Larger companies pay by four quarterly instalments of 25 per cent of their estimated tax liability for the year. The first payment is due 6 months and 13 days after the start of the company's accounting period, with the fourth payment due on the 14^{th} day of the 16^{th} month after the start of the accounting period. The final tax return is due 12 months after the end of the accounting period (two years after the start of the accounting period).	Two policies are required for the recognition of Corporation Tax to reflect the two regimes. Self-assessed Corporation Tax will be deemed to accrue evenly over the period of the tax return and the relevant amounts will be brought into WGA. For example, where a company has a 31 December year end, WGA will include CT for the 9 months April to December and 3 months January to March. Late payments or repayments (including those relating to pre-instalment regimes) will be accounted for when they can be reliably measured. Changes in the tax rate are reflected in the year in which the changes take effect.
Corporation Tax	Corporation Tax for small companies is due 9 months and 1 day after the end of the company's accounting period, with the return due to be filed 12 months after the end of the accounting period.	Corporation Tax outside the instalment regime will be accounted for in the year in which it falls due (normally, therefore, on a cash basis). Changes in the tax rate are partly reflected in the year following that in which they took effect, and fully reflected two years after.

TAX OR DUTY HEAD	BRIEF DETAILS	RECOGNITION POINT
Petroleum Revenue Tax	Petroleum Revenue Tax (PRT) applies to oil and gas production on the UK Continental Shelf and is charged on each owner's share of the profits from each individual oil field rather than by reference to profits showing in company accounts. The current rate of PRT is 50%. PRT was abolished on 16th March 1993 for fields given development consent after that date but is still paid by 30 or so companies with interests in fields given development consent prior to this date. The tax is paid in six monthly installments of 12.5% of the amount due in respect of six monthly Chargeable Periods ending (CPE) 30 June and 31 December, followed by a balancing payment. PRT is administered by the Large Business Service, Oil and Gas.	An estimate is provided for PRT accrued revenue receivable at financial year end by taking half the Budget 2008 (for example) North Sea Oil Model forecast of the overall PRT liability for the CPE 30 June 2008 less any installment payments made by 31 March 2008 pertaining to that chargeable period. This methodology assumes that the only amounts outstanding at the year-end are in respect of the chargeable period ending 30 June 2008, with companies having met their obligations in full for the chargeable period ending 31 December 2007 (and all prior CPs) having furnished their balancing payment at the end of February 2008. PRT decommissioning costs are noted as a contingent liability as they remain uncertain and can be carried back indefinitely. They will be determined by the domestic and international obligations that prevail when abandonment takes place during the next 20 years or so.
Capital Gains Tax	The vast majority of Capital Gains Tax (CGT) receipts are paid over at the same time as the final income tax payment under self-assessment arrangements (i.e. 10 months after the finish of the financial year in which the accounting period ends). Some payments are received outside SA or included in PAYE codes for the following year (i.e. two years after the relevant account period), but these are not material.	The taxable event for Capital Gains Tax is the disposal of a chargeable asset leading to a taxable gain.

TAX OR DUTY HEAD	BRIEF DETAILS	RECOGNITION POINT
Inheritance tax	Inheritance tax is due to be paid six months after the month in which death occurs. Probate is not granted until the tax has been paid. Payments are often made on account before the settlement of the liability, where the final liability may take some time (even years) to agree. In certain circumstances, debtors can opt to pay by installment over an agreed period, which incurs interest. This gives rise to debtors greater than one year. Reliable estimates of the amount of inheritance tax due can only be made after the initial assessment has been raised.	Inheritance tax will be recognised in the financial year in which the initial assessment is raised. Changes in the tax rate will be reflected in the year in which they take effect.

TAX OR DUTY HEAD	BRIEF DETAILS	RECOGNITION POINT
Stamp duties	Stamp duty is payable on house/land purchase and on transactions in stocks and shares. Stamp duty land tax is due on completion of the transaction and is received up to one month after the house is bought. Stamp duty on registered share transactions is paid 21 days after the settlement on a weekly basis. Payments are made through the Stock Exchange's CREST system. These payments are normally received by HMRC on a weekly basis each Friday, via an electronic link and relate to transactions established 3 weeks earlier Non-CREST payments relate to non-registered shares but where there is a document that requires stamping. Less than 10 per cent of Stamp Duty is collected through non-CREST, and the proportion is falling. Amounts are typically due 30 days after the transaction.	Stamp duty will be accounted for in the financial year in which the transaction (house purchase or share transactions) occurred. Stamp duties on house purchases are paid on average 2 weeks after completion of sale. Thus 50% of April's revenues are deemed to correspond to transactions completed in the previous financial year. Stamp duty on transactions in registered shares will be accounted for in the financial year in which the transaction took place. Where the relevant week ended on a Friday in the new financial year, stamp duty will be deemed to have accrued evenly over the week in question and the appropriate amount included in the WGA. i.e. accrue for transactions completed by 31^{st} March In view of the reducing amount of stamp duty received in relation to non FTSE-registered shares, amounts will be accounted for on a cash basis as received. Changes in the tax rate will be reflected in the year in which they take effect.

TAX OR DUTY HEAD	BRIEF DETAILS	RECOGNITION POINT
Social Security Contributions	National Insurance contributions are arranged in four classes. Class I contributions are deducted from salaries each month and paid over to the HMRC by employers with PAYE Income Tax. Class IA contributions are due in respect of company cars (return due 19th June, payment due 19th July). Class I and IA contributions are included in the October reconciliation exercise, when amounts due to or from employers are calculated. Class II contributions are collected from the self employed, subject to a small earnings exemption. These flat rate contributions are collected monthly in arrears by direct debit or, where a direct debit has not been set up, by quarterly invoice in arrears. Class III contributions are paid voluntarily to the HMRC to satisfy the contribution conditions for entitlement to certain benefits including State Retirement Pension. Class IV contributions are paid by the self-employed on their profits. Class IV NICS are paid by the self-employed on their profits between a lower and upper profit limit.	Class I (known at time accounts are prepared) and IA (accounted for on cash basis) contributions collected, and amounts due to or from employers, for the tax year just ended will be available in the October following the end of the tax year – in time for WGA for the financial year with which the fiscal year is (almost) coterminous. Class II contributions accrue evenly over the period for which they are collected. They will be accounted for in the WGA financial year to which they relate, with any apportionment as necessary for quarters straddling the financial y/e. Debtors provide for contributions due at y/e. Class III contributions will be accounted for when received – i.e. cash basis. The amount of Class IV is normally Class IV contributions will be accounted for in the year in which the relevant accounting period ends. The approach is directly equivalent to that for self assessed income tax set out above – i.e. accrued estimation. Changes in the NI rate for all Classes will be reflected in the year in which the change takes effect.
Value Added Tax	Value Added Tax (VAT) is a tax charged on the supply of goods and services in the UK or Isle of Man. It is also charged on imports from outside the EU, and acquisitions from	The tax recognition point is the final day of the tax period. VAT will be deemed to accrue evenly over the period to which it relates. If the due date falls after 31 March, but all or part of the period in question falls

TAX OR DUTY HEAD	BRIEF DETAILS	RECOGNITION POINT
	inside the EU. Traders are required to notify a liability to be registered for VAT if their turnover exceeds a defined limit. Traders operating below this threshold can apply for voluntary registration. There are three rates of tax – standard, lower and zero. Staggered throughout the year, accounting periods are monthly for traders with the largest turnover (and normally for traders who are in a permanent repayments situation); annually for traders on a special scheme; and quarterly for the remainder. Returns are due to be rendered one month after the accounting period end for monthly and quarterly returns, and two months after the annual accounting period date. Payment is normally due at the same time as the VAT return, but variations exist.	before 31 March, then a proportion or the entire amount declared on the return is accrued to year ended 31 March. For example: • VAT for period ending March - due date 30 April – all VAT is accrued; • VAT for period ending April - due date 31 May – 2/3 VAT is accrued (for quarterly returns); • VAT for period ending May – due date 30 June – 1/3 VAT is accrued (for quarterly returns). Any changes in tax rates will be reflected in the financial year in which the change took effect.
Hydrocarbon Oils duties	Hydrocarbon Oil duties comprise excise duties on mineral oils, on fuel substitutes and on gas road fuel. Most duty is collected through the deferment regime: duty will be payable by the end of the month in which the deferment period ends (midnight on the 14th day). Where the trader is not in the deferment regime, returns are required monthly with payment by the 15th. Gas road fuel duty is accounted for by the trader in quarterly returns and may be in	For all duty collected through the deferment regime, duty will be deemed to accrue evenly over the month to which the return relates. For the deferment period ending at midnight on 14th April 17/31st will be accounted for in the financial year. Where duty is not collected through the deferment regime: For mineral oils, because of the calendar month accounting period, the March return will be accrued within the financial year. Duty will be deemed to accrue evenly over the calendar month. For fuel substitutes, the March return will be accrued in the financial year.

TAX OR DUTY HEAD	BRIEF DETAILS	RECOGNITION POINT
	staggers. Payment is due with the return – 15 days after the end of the accounting period. There is a provision for the HCO duties to be repaid under the Mineral Oils Relief and Excise Drawback Schemes Excise duties on HCO imported from other EU member states can be paid by monthly return through a scheme known as the " Registered Excise Dealers and Shippers" (REDS Scheme) where returns are due calendar monthly. Returns and payment must be rendered by the 5th day of the calendar month. Payment is taken on the excise deferment run (15th)	For gas road fuel, duty will be deemed to accrue evenly over the period to which the return relates. For any quarter straddling the financial year-end, the duty will be pro-rated between the old and new financial year. Any changes in duty rate will be reflected in the financial year in which the change took effect. The recognition point for repayments would be the date of approval of payment. For duties collected through the REDS scheme, duty will be assumed to accrue evenly over the month to which the return relates. Return is due within four working days after the end of the accounting period.
Tobacco duties	Returns are submitted monthly . There are separate duties for cigarettes, cigars, hand rolling tobacco and 'other' which includes pipe tobacco and chewing tobacco . Where the trader has a deferment account: The period for imports ends at midnight on the 14th day of the month, with payment due by 29th. Where the trader does not have a deferment account, payment must be made before removal from warehouse. There is provision for repayment of tobacco	Tobacco duties will be deemed to accrue evenly over the month covered by the return. For the deferment period ending at midnight on 14th April 17/31st will be accounted for in the financial year. Where duty is not collected through the deferment regime, it will be accounted for on a cash basis. Any changes in duty rate will be reflected in the financial year in which the change took effect The duty point for repayment would be the date of approval of payment.

TAX OR DUTY HEAD	BRIEF DETAILS	RECOGNITION POINT
	duty under the excise drawback scheme Excise duties on tobacco imported from other EU member states can be paid by monthly return through a scheme known as the " Registered Excise Dealers and Shippers" (REDS Scheme) where returns are due calendar monthly. Returns and payment must be rendered by the 5th day of the calendar month. Payment is taken on the excise deferment run (15th)	For duties collected through the REDS scheme, duty will be assumed to accrue evenly over the month to which the return relates. Return is due within four working days after the end of the accounting period.
Spirits duties	All UK manufactured spirits are required to be warehoused after production and duty is chargeable upon removal, payable mainly by the deferment scheme, the rest by cash. Duty is liable when the spirit leaves the warehouse There is provision for repayment of Spirits duty under the excise drawback scheme Excise duties on Spirits imported from other EU member states can be paid by monthly return through a scheme known as the " Registered Excise Dealers and Shippers" (REDS Scheme) where returns are due calendar monthly. Returns and payment must be rendered by the 5th day of the calendar month. Payment is taken on the excise deferment run (15th)	Spirits duties will be deemed to accrue evenly on a 17/31st basis. Any changes in duty rate will be reflected in the financial year in which the change took effect. The duty point for repayment would be the date of approval of payment For duties collected through the REDS scheme, duty will be assumed to accrue evenly over the month to which the return relates. Return is due within four working days after the end of the accounting period
Wine, cider and perry duties	The duty point is the date of physical or electronic removal from registered premises. Returns are mainly rendered for calendar month periods, with return and payment due by the 15th day of the following month. Wine, Cider and Perry may also be warehoused and removed as part of the Duty Deferment Scheme, or alternatively by	Wine, cider and perry duties will be deemed to accrue evenly over the month covered by the return. The March return will be accrued in the financial year. Any changes in the duty rate will be reflected in the financial year in which the change took effect.

TAX OR DUTY HEAD	BRIEF DETAILS	RECOGNITION POINT
	payment on removal from warehouse There is provision for repayment of wine, cider and perry duties under the excise drawback scheme Excise duties on Wine, Cider and Perry imported from other EU member states can be paid by monthly return through a scheme known as the "Registered Excise Dealers and Shippers" (REDS Scheme) where returns are due calendar monthly. Returns and payment must be rendered by the 5th day of the calendar month. Payment is taken on the excise deferment run (15th)	The duty point for repayment would be the date of approval of payment For duties collected through the REDS scheme, duty will be assumed to accrue evenly over the month to which the return relates. Return is due within four working days after the end of the accounting period
Beer duties	Returns are made for calendar month periods and must be rendered by the 15th day of the following month. For UK produced beer, the duty point is when goods are removed from premises. Duty is payable at the duty point – but registered brewers (involving the majority of the duty collected) pay up to the 25th day of the month following that in which the duty arises. There is provision for repayment of beer duty under the excise drawback scheme. Excise duties on beer imported from other EU member states can be paid by monthly return through a scheme known as the " Registered Excise Dealers and Shippers" (REDS Scheme) where returns are due calendar monthly. Returns and payment must be rendered by the 5th day of the calendar month. Payment is taken on the excise deferment run (15th).	Beer duties will be deemed to accrue evenly over the month covered by the return. The March return will be accrued in the financial year. Any changes in duty rate will be reflected in the financial year in which the change took effect. The duty point for repayment would be the date of approval of payment For duties collected through the REDS scheme, duty will be assumed to accrue evenly over the month to which the return relates. Return is due within four working days after the end of the accounting period.
Betting and gaming duties	Betting and gaming duties comprise: General Betting Duty, Gaming Duty, Pool Betting Duty. Bingo Duty, Amusement	General Betting Duty and Bingo Duty will be deemed to accrue evenly over the period covered by the return. The March return will be accrued in the

TAX OR DUTY HEAD	BRIEF DETAILS	RECOGNITION POINT
	Machine License Duty (AMLD), Lottery duty and Remote Gaming Duty. For General Betting Duty returns are made either monthly or quarterly and must be submitted, with the payment, by the 15^{th} day following the end of the accounting period. Bingo Duty returns are generally due on the last Sunday of the month, but there are some exceptions. For Gaming Duty, casino operators make an interim quarterly Payment on Account twice a year and a 6-monthly return with balancing payment due one month after the end of the 6 month period. For Pool Betting Duty returns are 4 or 5 weekly ending on the last Saturday in each calendar month Amusement Machine Licence Duty is payable for all amusement machines which are subject to a license. Licences can be for periods of up to 12 months. For Lottery Duty, the return runs from the last Sunday of one month to the last Saturday of the following month, paid by CHAPS on 13^{th} day following the accounting period. There is provision for repayment of AMLD when the license is surrendered Remote Gaming Duty returns are for a quarterly period with payment due by the 15^{th} day following the end of the accounting period	financial year. Bingo duty returns straddling year-end will be pro-rated Gaming Duty will be deemed to accrue evenly over the period covered by the interim and final returns. Pool Betting Duty returns straddling year-end will be pro rated. AMLD will be deemed to accrue evenly over the period covered by the license. Licences straddling year-end will be pro-rated and money received for the new financial year will be treated as a prepayment Any changes in duty rate will be reflected in the financial year in which the change took effect.
Air passenger duty	The duty point is where a chargeable passenger takes a flight on a chargeable aircraft Returns for calendar months, together with the associated payment, are due on the 22^{nd} day after the end of the period, except payments by direct debit which will be taken	Air passenger duty will be deemed to accrue evenly over the month covered by the return. The March return will be accrued in the financial year. Any changes in duty rate will be reflected in the financial year in which

TAX OR DUTY HEAD	BRIEF DETAILS	RECOGNITION POINT
	on the 29th day after the end of the period. Traders paying by credit transfer are given an additional seven days to pay	the change took effect.
Insurance premium tax	Returns are generally made for periods of 3 months with the provision for monthly and non-standard staggers, and are due with the associated payment, one month after the end of the accounting period. Traders paying by credit transfer are given an additional seven days to pay	Insurance premium tax will be deemed to accrue evenly over the period covered by the return. For any quarter straddling the financial year-end, the following pro-rata proportion will be accounted for in that year;:- If April return take 66.66%, if May return take 33.33% Any changes in duty rate will be reflected in the financial year in which the change took effect.
Landfill tax	Returns are generally made for periods of 3 months with the provision for monthly and non-standard staggers, and are due with the associated payment, one month after the end of the accounting period.	Landfill tax will be deemed to accrue evenly over the period covered by the return. For any quarter straddling the financial year-end, the following pro-rata proportion will be accounted for in that year:- If April return take 66.66%, if May return take 33.33% Any changes in duty rate will be reflected in the financial year in which the change took effect.
Customs duties and levies	Commercial importers may apply for deferment of the duty payment – the deferment period is calendar monthly with payment due on the 15th day of the following month. If a trader does not have a deferment facility or the deferment limit is exceeded, payment must be made before removal. The majority of duty on import goods is paid through the deferment scheme There is a provision for Customs duties to be repaid under any of the recognised schemes	Customs duties and levies will be deemed to accrue evenly over the month covered by the duty deferment period. The March liabilities will be accrued in the financial year.

TAX OR DUTY HEAD	BRIEF DETAILS	RECOGNITION POINT
Climate Change Levy	Returns are generally made for periods of 3 months with the provision for monthly and non-standard staggers, and are due with the associated payment, one month after the end of the accounting period	Climate Change Levy will be deemed to accrue evenly over the period covered by the return. For any quarter straddling the financial year-end, the following pro-rata proportion will be accounted for in that year:- If April return take 66.66%, if May return take 33.33% Any change in duty rate will be reflected in the financial year in which the change took effect
Vehicle Excise Duty	Although VED is collected six-monthly or annually in advance, VED falls due on a monthly basis (inferred from the fact that vehicle keepers can claim refunds for whole months if they dispose of the vehicle).	VED will be deemed to accrue over 12 monthly periods and the relevant 12 months will be accounted for in the WGA financial year. Amounts paid in advance for April and beyond will be accounted for as deferred income at 31 March. Any changes in duty rate will be reflected in the financial year in which the change took effect.
Non-Domestic Rates	Contributions by local authorities to the NDR pool for a financial year are based on the amount that the authority, acting diligently, could collect given the gross rateable value of their area. Payments out of the pool are based on the amounts that DCLG has calculated as the distributable amount. The amount must be paid out regardless of the amounts paid in.	Amounts of non-domestic rates to be collected, and the amounts to be paid out, will be accounted for in the financial year to which they relate on a cash basis. Any changes in the NDR rate will be reflected in the financial year in which the change took effect.
Aggregates Levy	Returns are generally made for periods of 3 months with the provision for monthly and non-standard staggers, and are due with the associated payment, one month after the end of the accounting period.	Aggregates Levy will be deemed to accrue evenly over the period covered by the return. For any quarter straddling the financial year-end, the following pro-rata proportion will be accounted for in that year:- If April return take 66.66%, if May return take 33.33%

ANNEX B

PROPOSED TEXT FOR THE IFRS-BASED GOVERNMENT FINANCIAL REPORTING MANUAL

Recognition of Taxation Revenues

1. Introduction

This chapter applies to HM Revenue and Customs and to the Driver & Vehicle Licensing Agency. It sets out the principles for accounting for revenues from taxes and duties. This chapter does not apply to the Non-Domestic Rates Accounts, which continue to be prepared on a cash basis.

2. Definitions

Taxes and duties

Taxes and duties are economic benefits compulsorily paid or payable to public sector entities, in accordance with laws or regulations, established to provide revenue to the government, excluding fines or other penalties imposed for breaches of laws or regulations.[1]

3. Recognition and Measurement

Taxes and Duties Recognized on an Accruals Basis

Where taxes and duties are recognized on an accruals basis, they will be measured at the fair value of the consideration received or receivable net of repayments. Revenue is recognized when: a taxable event has occurred, the revenue can be measured reliably and it is probable that the economic benefits from the taxable event will flow to the collecting entity. All these elements are required to be satisfied.

Revenues are deemed to accrue evenly over the period for which they are due. No revenue is recognized if there are significant uncertainties regarding recovery of the taxes and duties due. The term 'probable' means that the flow of revenue should be more likely than not to occur. Revenue should be accrued net of amounts not expected to be collected (e.g. lost through fraud or evasion). Amounts not expected to be collected will be determined by reference to past trends in write-offs and remissions and the emerging position in-year.

Taxes and Duties Recognized on a Cash Basis

Where taxes and duties are recognized on a cash basis, they will be recognized in the accounting period in which the tax receipt is received and are measured at the cash amount received.

Tax Expenses

In the UK the main form of tax expenses are tax credits. Tax credits comprise two elements: Negative Taxation to the extent that the tax credits are less than or equal to the recipient's tax liability, and Payments of Entitlement

[1] Per IPSAS 23 *Revenue from Non-Exchange Transactions (Taxes and Transfers)*

where tax credits exceed the recipient's tax liability. Both elements will be presented as expenditure, and not netted against taxation revenue.

4. Presentation

4.1 Entities shall prepare a set of financial statements containing details of the material components of tax income, expenditure, assets, liabilities or cash flows detailed in a Statement of Revenue and Expenditure, Balance Sheet and Cash Flow Statement (together with supporting notes to those primary statements) to give a true and fair view of the state of affairs relating to the collection and allocation of taxes, duties and any other revenues and related expenditures.

5. Disclosures

An entity shall disclose:

5.1 In the notes to the financial statements, the main accounting policies, estimates and judgments used to assess tax income, expenditure, assets and liabilities, including any provision created in respect of tax deemed uncollectable.

5.2 In the notes to the financial statements, a statement of those taxes reported on an accruals basis and those on a cash basis.

5.3 Any additional supporting information to aid the understanding of users of the accounts. This may include, but will not be limited to, details on fraud, evasion and error, and accounting estimates of accrued tax revenue.