HM Revenue & Customs

Software Developers – Self Assessment 'Identical' Return

Information

The Government accepted Lord Carter of Coles's recommendation that, to encourage online filing, computer generated substitute versions of the Self Assessment (SA) Return should no longer be approved or accepted.

This has applied since 6 April 2008 for the:

- SA Individual Returns – (SA100 series)
- SA Partnership Returns – (SA800 series)
- SA Trust Returns – (SA900 series)

1. What did Lord Carter recommend and why?

Lord Carter's Review recommended that:

> *"HMRC should stop accepting computer generated SA 'substitute' Returns on paper, from April 2008 for 2007-08 and subsequent Returns."*

This was one of a number of recommendations intended to increase the take-up of HMRC's online services for the benefit of customers and the Department.

It makes sense that information prepared electronically should be submitted online - this is more efficient for everyone. The great majority of software products that currently provide for paper substitute outputs already incorporate the functionality to enable the Return to be submitted to HMRC online.

2. Which substitute returns will HMRC no longer accept?

As stated above, from 2007/08 onwards, HMRC no longer accepts or approves substitute forms for the three main SA Returns:

- Individual Returns – (SA100 Series)
- Partnership Returns – (SA800 Series)
- Trust Returns – (SA900 Series)

HMRC will continue to approve substitutes for forms other than the Individual, Partnership and Trust & Estate Returns.

3. SA taxpayers who are unable to file online

There are a small number of SA taxpayers (less than 1% of the total SA population) whose Returns cannot currently be filed online because HMRC has not yet been able to develop online facilities for their particular circumstances.

Because this very small minority of SA taxpayers do not have the choice of online filing, they will be allowed to file on paper up to 31 January, without incurring any penalty that might otherwise be due for paper filing after 31 October. However, HMRC encourages all taxpayers to file early where they are in a position to do so.

Tax practitioners who currently use commercial software to prepare their clients' Return's were concerned that they would be forced back to "pen and paper" for any clients within this group. Following consultations with representative bodies, HMRC will accept paper Returns that have been prepared wholly, or partly, electronically provided that computer generated output is identical in appearance to the official HMRC form. This solution is intended for the very small minority of taxpayers that do not have the option of filing online.

Wider use – by people for whom online filing services are available - would run counter to Government's implementation of Lord Carter's recommendations, jeopardising customer service and efficiency benefits. 'Identical' Returns are intended as a solution for those customers who cannot currently file online; customers who choose to file on paper should be using an HMRC-issued return form.

However, if such paper output is used by taxpayers or their agents, for returns which could be filed online, it will be accepted provided it is identical to the official HMRC return but must be submitted to HMRC by the paper filing date of 31 October.

If HMRC found significant inappropriate use of this solution, we would have to consider withdrawing this facility.

4. What HMRC will accept as amounting to 'Identical'?

We will require computer-generated paper output to have the same visual appearance, or substantially the same visual appearance, as the HMRC original. In practice, this means that IT applications will need to be capable of generating output that:

- replicates the HMRC version of the Returns for layout, pagination, graphical elements including logo, font and answer boxes;

- renders in either grey-scale or colour. If in colour, applications producing output should be designed to mimic colours used and specified in the original HMRC designs (but we recognise that colours in eventual paper output may be different in shade, according to printer constraints and differences); and

- renders, either bound or as separate A4 sheets, simplex or duplex, comprehensively and securely in correct page order (but we recognise that final output may have a print-area or printing-size slightly smaller than A4, depending on printer constraints and differences – as a broad indicator, up to around 5% smaller will be acceptable).

The computer-generated paper output will contain data, relating to the taxpayer, necessary for that output to amount to a Return. The paper output may also contain designatory data additional to that required by HMRC, for example to facilitate agent and client activity recording.

Such data, if included, must be positioned on the paper output in a space which is blank on the official HMRC Return. However, the computer-generated paper output must not contain:

- any guidance or other material designed within the software application to appear on-screen to facilitate data entry;

- other elements (for example, additional graphics or wording) not found on the official HMRC printed version of Returns or HMRC issued Developer versions (other than applied taxpayer data).

To facilitate development of application software HMRC will provide developers with:

- pdfs of forms, constructed specifying CMYK;

- Quark/InDesign versions of forms, where required; and

- a marked up page 1 of the Return to demonstrate space available for applied designatory data (supplied on request).

5. Specific design questions

Q: Will a printed return which includes a barcode be accepted as 'Identical'?

A: Yes, if the barcode is in the same area on the computer generated paper output as it would be on an HMRC issued return, i.e. top left hand corner. (Please contact SDS Team for more information if you want to include bar-codes on 'Identical' Return output in your product).

Q: What information can we include in the footer?

A: The computer generated paper output may also contain designatory data, for example to help agent and client activity recording. Such data, if included, must be positioned on the paper output in a space which is blank on the official HMRC Return. The footer might include taxpayer name, UTR and the IR Mark. Electronic page numbering may also be included.

Q: Must taxpayer data fit precisely within the return boxes?

A: A return will be acceptable as long as the taxpayer data can be read by HMRC and it is completely clear to which box such data relates. For instance, the majority of amount boxes within the return support 8 digits; if required it would be acceptable for the amount box to include more than 8 digits as long as these were legible.

Q: What font is acceptable in the returns?

A: The computer generated paper output is required to replicate the HMRC version of the Return including the font. If vendors choose to embed the HMRC pdf in their software, the question of which font to use will not be an issue.

Replication of font for the Main SA Tax Return suite means using HMRC Modena. HMRC Modena will be supplied by HMRC to developers to support the design of software applications capable of producing paper output identical to the HMRC official paper Returns.

For the SA Trust and Partnership Returns replication of font means either Stone Sans, or a similar font visually the closest available to the provider and occupying the same footprint as text applied using Stone Sans (for example, Arial).

HMRC Modena is supplied on request by HMRC solely for the use of developers designing software applications capable of producing paper output identical to the HMRC official paper Returns. The material is implicitly Crown Copyright.

Q: When can the HMRC 'Draft' Forms published for Developers be treated as 'Identical'?

Once the 'Draft' forms are published in December, unless there are any substantive changes, then the December versions will be acceptable as any changes after this date are likely to be largely cosmetic. This includes any 'Developer' versions which may show a slight variance from the final versions available to customers in the following April.

Substantive changes will only be made if absolutely necessary.

Q: Can I print the return in black and white? It is cheaper and more environmentally friendly?

A: Paper returns produced using software packages will be legally valid if printed in colour or in 'grey-scale'; pure black on white output (i.e. omitting tint) will not be accepted as identical to the HMRC official Return.

However, many software packages may provide an option to print in pure black and white if the output is being produced as a paper record for the taxpayer's or tax agent's own use.