
71 Simple assessments

- (1) The Schedule contains provisions about simple assessments by HMRC.
- (2) That Schedule has effect in relation to the 2015-16 tax year and subsequent years.

SCHEDULE TO CLAUSE 71

SIMPLE ASSESSMENTS -

PART 1 -

AMENDMENT OF THE TAXES MANAGEMENT ACT 1970 -

- 1 - TMA 1970 is amended as follows.
- 2 - In section 7 (notice of liability to income tax and capital gains tax), after subsection (2) insert –
 - “(2A) A person who –
 - (a) falls within subsection (1A) or (1B), and
 - (b) is notified of a simple assessment for the year of assessment, is not required to give notice under subsection (1) for that year unless the person is chargeable to income tax or capital gains tax for the year of assessment on any income or gain that is not included in the assessment.”
- 3 - In the heading to section 8B (withdrawal of notice under section 8 or 8A), at end insert “**at the taxpayer’s request**”.
- 4 - After section 8B insert –
 - “**8C Withdrawal by HMRC of notice under section 8 or 8A prior to simple assessment**
 - (1) - This section applies to person who is given a notice under section 8 or 8A.
 - (2) - Before the end of the withdrawal period, HMRC may withdraw the notice if they intend to make a simple assessment in respect of that person for the year of assessment to which the notice relates.
 - (3) - If HMRC decide to withdraw the notice they must do so by giving the person a notice under this section.
 - (4) - A notice under this section must specify the date on which the notice under section 8 or 8A is withdrawn.
 - (5) - For the purposes of this section “the withdrawal period” means the period of 2 years from the end of the year of assessment to which the notice under section 8 or 8A relates.
 - (6) - Withdrawal of a notice given to a person under section 8 or 8A in relation to a year of assessment does not prevent HMRC from giving the person a further notice under section 8 or 8A.
 - (7) - See paragraph 17AA of Schedule 55 to FA 2009 as to the cancellation of liability to a penalty under any paragraph of that Schedule by including provision in a notice under this section.”

-
- 5 After section 28G (determination of amount notionally chargeable where no NRCGT return delivered) insert –

“28H Simple assessments by HMRC: personal assessments

- (1) - HMRC may make a simple assessment for a year of assessment in respect of a person who is, when the assessment is made, a qualifying person in relation to that year of assessment.
- (2) - A person (other than a person to whom section 28I applies) is a qualifying person at any time in relation to a year of assessment if at that time –
 - (a) - the person has not delivered a return under section 8 for the year (whether or not including a self assessment), and
 - (b) - the person is not subject to a requirement to make and deliver such a return by virtue of a notice under section 8.
- (3) - A simple assessment is –
 - (a) - an assessment of the amounts in which the person is chargeable to income tax and capital gains tax for the year of assessment to which it relates, and
 - (b) - an assessment of the amount payable by the person by way of income tax, that is to say, the difference between the amount in which the person is assessed to income tax under paragraph (a) and the aggregate amount of any income tax deducted at source and any tax credits to which section 397(1) or 397A(1) of ITTOIA 2005 applies;but nothing in this subsection enables an assessment to show as repayable any income tax treated as deducted or paid by virtue of section 246D of the principal Act, section 626 of ITEPA 2003 or section 399(2), 400(2), 414(1), 421(1) or 530(1) of ITTOIA 2005.
- (4) - The amounts in which a person is chargeable to income tax and capital gains are net amounts, taking into account the person’s personal allowance (including any relief or allowance previously claimed and included by HMRC in calculating that personal allowance).
- (5) - A simple assessment may be based on any information held by HMRC (whether or not supplied by the person to whom the assessment relates).
- (6) - The notice of a simple assessment required to be sent to the person by section 30A(3) must (among other things) –
 - (a) - include particulars of the income and gains, and any personal allowance, taken into account in the assessment, and
 - (b) - state any amount payable by the person by virtue of section 59BA (with particulars of how it may be paid and the date on which it is payable).
- (7) - The tax to be assessed on a person by a simple assessment does not include any tax which –
 - (a) - is chargeable on the scheme administrator of a registered pension scheme under Part 4 of Finance Act 2004,
 - (b) - is chargeable on the sub-scheme administrator of a sub-scheme under Part 4 of the Finance Act 2004 as modified by

the Registered Pension Schemes (Splitting of Schemes) - Regulations 2006, or

(c) - is chargeable on the person who is (or persons who are) the responsible person in relation to an employer-financed retirement benefits scheme under section 394(2) of ITEPA 2003.

(8) - In subsections (3) to (7) references to a simple assessment are to one made under subsection (1).

(9) - Nothing in this section prevents HMRC issuing more than one simple assessment to the same person in respect of a year of assessment (whether or not any earlier simple assessment is withdrawn).

28I Simple assessments by HMRC: trustees

(1) - HMRC may make a simple assessment for a year of assessment in respect of a settlement if, when the assessment is made, the relevant trustees of the settlement qualify for such an assessment in relation to that year of assessment.

(2) - The trustees qualify for such an assessment at any time in relation to a year of assessment if at that time –

(a) - no return under section 8A has been delivered (whether or not including a self assessment) by the relevant trustees or any of them, and

(b) - there is no subsisting requirement to make and deliver such a return by virtue of a notice under section 8A.

(3) - A simple assessment is –

(a) - an assessment of the amounts in which the relevant trustees are chargeable to income tax and capital gains tax for the year of assessment to which it relates, and

(b) - an assessment of the amount payable by them by way of income tax, that is to say, the difference between the amount in which the person is assessed to income tax under paragraph (a) and the aggregate amount of any income tax deducted at source and any tax credits to which section 397(1) or 397A(1) of ITTOIA 2005 applies;

but nothing in this subsection enables an assessment to show as repayable any income tax treated as deducted or paid by virtue of section 246D of the principal Act, section 626 of ITEPA 2003 or section 399(2), 400(2), 414(1), 421(1) or 530(1) of ITTOIA 2005.

(4) - The amounts in which the relevant trustees are chargeable to income tax and capital gains are net amounts, taking into account any allowance that is applicable (including any relief or allowance previously claimed and taken into account by HMRC in calculating that allowance).

(5) - A simple assessment may be based on any information held by HMRC (whether or not supplied by the relevant trustees).

(6) - The notice of a simple assessment required by section 30A(3) may be given to any one or more of the relevant trustees.

-
- (7) That notice must (among other things) –
- (a) - include particulars of the income and gains, and any allowance, taken into account in the assessment, and
 - (b) - state any amount payable by the relevant trustees by virtue of section 59BA (with particulars of how it may be paid and the date on which it is payable).
- (8) - The tax to be assessed by a simple assessment does not include any tax which –
- (a) - is chargeable on the scheme administrator of a registered pension scheme under Part 4 of Finance Act 2004,
 - (b) - is chargeable on the sub-scheme administrator of a sub-scheme under Part 4 of the Finance Act 2004 as modified by the Registered Pension Schemes (Splitting of Schemes) Regulations 2006, or
 - (c) - is chargeable on the person who is (or persons who are) the responsible person in relation to an employer-financed retirement benefits scheme under section 394(2) of ITEPA 2003.
- (9) - In subsections (2) to (8) references to a “simple assessment” are to an assessment under this section.
- (10) - Nothing in this section prevents HMRC issuing more than one simple assessment in respect of the same settlement and the same year of assessment (whether or not any earlier simple assessment is withdrawn).
- (11) - In this Act references to the person to whom a simple assessment relates are, in relation to one made under this section, to the relevant trustees of the settlement to which it relates.

28J Power to withdraw a simple assessment

- (1) - HMRC may withdraw a simple assessment by notice to the person to which it relates.
- (2) - An assessment that has been withdrawn ceases to have effect (and is to be taken as never having had any effect).”

6 In section 31A (appeals: notice of appeal), after subsection (4) insert –

- “(4A) - In the case of an appeal under section 31(1)(d) relating to a simple assessment –
- (a) - subsection (1)(b) has effect subject to section 31AA, and
 - (b) - the reference in subsection (4) to the officer by whom the notice of assessment was given includes a reference to any officer authorised to receive notices of appeal relating to such assessments.”

7 After section 31A (notice of appeal) insert –

“31AA Power to suspend simple assessment

- (1) - If the person to whom a simple assessment relates believes that the assessment is or may be incorrect, the person may notify HMRC of that belief and the reasons for it.

-
- (2) - A notice under subsection (1) must be given to HMRC within the period of 30 days after the date on which the simple assessment was issued or such longer period as HMRC may allow.
 - (3) - On receipt of a notice under subsection (1) HMRC may suspend the simple assessment (in whole or part).
 - (4) - HMRC must notify the person concerned if the assessment is suspended and, if suspended in part, of the amount that they consider (based on the information provided by the notice under subsection (1)) is not disputed.
 - (5) - While the assessment is suspended the person concerned is under no obligation to pay –
 - (a) - the amount specified in the notice of assessment as payable (where the whole of the assessment is suspended), or
 - (b) - so much of that amount as remains payable (where the assessment is suspended in part).
 - (6) HMRC must respond to a notice under subsection (1) by –
 - (a) - confirming the simple payment assessment and lifting the suspension (if any),
 - (b) - withdrawing the simple payment assessment,
 - (c) - issuing a further simple payment assessment (whether in addition to the original assessment or to replace it).
 - (7) - HMRC must notify the person concerned of their decision.
 - (8) - Where the suspension of the assessment has been lifted, section 31A applies again to the assessment as if the specified date is the day on which notice under subsection (7) was given.
- 8 (1) -Section 59B (payment of income tax and capital gains tax) is amended as follows.
- (2) In the heading, at end insert “: **assessments other than simple assessments**”.
 - (3) In subsection (6), after “9” insert “, 28H or 28I”.
- 9 - After section 59B insert –
- “59BA Payment of income tax and capital gains tax: simple assessments**
- (1) - Subject to subsection (2), the difference between –
 - (a) - the amount of income tax and capital gains tax contained in a simple assessment for any year of assessment, and
 - (b) - the aggregate of any payments on account made by the person to whom the assessment relates in respect of that year (whether under section 59A or 59AA or otherwise) and any income tax which in respect of that year has been deducted at source,is payable by that person as mentioned in subsection (3) or (4).
 - (2) - Nothing in subsection (1) requires the repayment of any income tax treated as deducted or paid by virtue of section 246D of the principal Act, section 626 of ITEPA 2003 or section 399(2), 400(2), 414(1), 421(1) or 530(1) of ITTOIA 2005.

-
- (3) - In a case where the person was given notice of the simple assessment after the 31st October next after the year of assessment, the difference is payable at the end of the period of 3 months after the day on which that notice was given.
 - (4) - In any other case the difference is payable on or before the 31st January next after the end of the year of assessment.”

PART 2

CONSEQUENTIAL AMENDMENTS

10 After paragraph 17A of Schedule 55 to FA 2009 (cancellation of penalty for failure to make return where taxpayer requests withdrawal of notice under section 8 or 8A) insert—

“17AA(1) This paragraph applies where—

- (a) - P is liable for a penalty under any paragraph of his Schedule in relation to a failure to make a return within item 1 in the Table, and
 - (b) - HMRC decide under section 8C of TMA 1970 to withdraw the notice under section 8 of that Act.
- (2) -The notice under section 8C may include provision under this paragraph cancelling liability to the penalty from the date specified in the notice.