



HM Revenue
& Customs

Amendments to tax returns

Call for Evidence

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1. Introduction

About this Call for Evidence

- 1.1 The government is keen to ensure that the process to amend a tax return is simple and transparent for taxpayers to use.
- 1.2 The government recognises that tax records will increasingly be held and submitted digitally. With the HM Revenue and Customs (HMRC) digital agenda there is an opportunity to modernise the process and create a better taxpayer experience.
- 1.3 There are a number of different methods of making amendments to returns, which vary according to tax, value, accounting period and turnover. For example, the processes for amending Income Tax Self-Assessment (ITSA), Corporation Tax Self-Assessment (CTSA) and VAT returns differ and are not consistent across the taxes or aligned with the digital future of tax administration.
- 1.4 This Call for Evidence sets out the current way in which amendments to returns are made and we are keen to gather evidence on the issues taxpayers face when making an amendment. We also want to understand what the experience is like for a taxpayer for each tax type, and understand whether alignment of amendment methods across the taxes can work well. Further information to assist HMRC in fully understanding the amendments process experience would be welcome.
- 1.5 Following responses to this Call for Evidence we will seek to develop policy solutions to any issues highlighted in the amendments to returns process.
- 1.6 **Chapter two** sets out what we mean by amendments to returns and the differing existing processes across the tax system. **Chapter three** sets out the policy work HMRC has already undertaken to review amendments and it also explores the scope of the policy solutions given the future vision of tax administration. We also ask a series of direct questions in the main chapters and would welcome your responses to these.
- 1.7 We are keen to hear from taxpayers (both businesses and individuals), agents, and representative bodies with views on amendments to returns, to help us address any inadequacies and to ensure we introduce consistent administration policies.

2. Current position on tax returns

HMRC's policy on amending tax returns

- 2.1 An amendment is any change made by a taxpayer to a submitted return. It forms an important part of HMRC's tax administration framework and ensures that both HMRC and its customers can exercise their right to correct, adjust or amend a filed return. The process in making an amendment varies according to tax type and in this chapter we will set out the existing processes for ITSA, CTSA and VAT.
- 2.2 Where a taxpayer wants to make a change to a tax return, in some instances it is possible to file an amended return. The period in which amendments to returns can be made depends on the tax type.
- 2.3 HMRC can undertake a [compliance check](#) to check for errors in a tax return. For example, under ITSA, HMRC can correct or amend any obvious errors or mistakes made by the taxpayer by amending their tax return within 9 months of the date the return was delivered. This is not the case for all tax types.
- 2.4 HMRC recognise that the current processes for making amendments are not consistent across the taxes. For example, taxpayers can currently amend ITSA returns online, manually, and make some amendments by phone. They are not restricted to amending in the same format that the return was originally made (e.g. a person filing online can still amend on paper or by phone). Whereas depending on the circumstances, amendments to VAT returns may be made on subsequent returns or may have to be notified separately on paper.

Amending ITSA returns

- 2.5 Taxpayer amendments to ITSA returns should usually be made within 12 months of the statutory filing date. The ability and period in which to amend a tax return is therefore linked to the filing date for the particular return.

For example, if a taxpayer has filed a 2016-2017 return online (with a filing date of 31 January 2018) they would be able to amend that return up to 12 months after the filing date, so until 31 January 2019.

- 2.6 Where the taxpayer has informed HMRC of their chargeability on or before 5 October, following the end of year of assessment, but the tax return is not issued until after 31 October, the taxpayer has three months from the date of issue to file the tax return. The return can be amended up to 12 months after the deadline for filing.
- 2.7 ITSA returns that have been filed online can be amended online or by paper. The normal deadline for filing an ITSA tax return online is 31 January after the end of the tax year. For example, an ITSA return for 2016-17 should generally have been filed by 31 January 2018. Paper returns must be filed by 31 October

after the end of the tax year, so a deadline of 31 October 2017 for a 2016/17 paper return. Therefore, where the normal online filing deadline applies, amended returns for 2016-17 must be made by 31 January 2019.

- 2.8 Where a paper return was filed, a mistake in the return can be amended by downloading blank versions of the required pages and then sending those revised pages to HMRC. Alternatively, taxpayers can write to HMRC with details of the amendments.
- 2.9 Some amendments to ITSA tax returns can be accepted by phone, such as where a taxpayer forgot to fill in an entry or wants to change an entry. HMRC cannot accept whole return sections by phone – the taxpayer must complete the missing pages online or by post.
- 2.10 Once the statutory window for making an amendment to the original return has passed, neither HMRC nor the taxpayer can amend the return. In some circumstances tax overpaid may be refunded up to four years after the end of the year of assessment; but that does not affect the original return and self-assessment which would be final and no longer subject to possible amendment by HMRC or the taxpayer.
- 2.11 HMRC can undertake a [compliance check](#) to check for errors in an ITSA return. A taxpayer may make amendments to their return during the course of a compliance check which will be given effect to once the check is completed.
- 2.12 Further information on making an amendment to an ITSA return can be found in [Self Assessment tax returns](#) guidance.

Amending CTSA returns

- 2.13 For CTSA returns, amendments should usually be made within 12 months of the filing deadline. The deadline depends on the company year-end date. The return can be amended online or by writing to the appropriate tax office (regardless of how it was originally processed). The exceptions to this include the Corporate Interest Restriction, which is a group filing, where amendments can be made beyond the filing deadline.
- 2.14 Other than in very limited circumstances, HMRC has not prescribed the format and content of an amended return or provided an official form for amending returns. Generally, companies can amend CTSA returns informally in correspondence or online.
- 2.15 HMRC can undertake a [compliance check](#) to check for errors in a CTSA return. A company may make amendments to its return during the course of a compliance check, these will be given effect to once the check is completed.
- 2.16 Further information on making an amendment to a CTSA return can be found in [CTSA guidance](#).

Amending VAT returns

- 2.17 Unlike an ITSA return or CTSA return, the VAT return cannot be refiled. If a taxpayer discovers an error after filing a return, they may be able to make an amendment on their next VAT return.
- 2.18 Errors on past returns can be adjusted on the next VAT return if:
- it is for an accounting period that ended less than four years ago;
 - the error was not deliberate;
 - the value of the error is £10,000 or less, or
 - the value of the error is up to 1% of the total value of sales for the accounting period (up to a maximum of £50,000).
- 2.19 VAT return errors that do not meet the conditions above must be notified on form VAT 652 or by writing to HMRC with the details.
- 2.20 Further information on making an amendment to a VAT return can be found in [VAT Notice 700/45](#).

Questions

Question 1: Which taxes do you submit returns for? How do you make amendments for each tax?

Question 2: What are your reasons for making amendments?

Question 3: Do you find it easy to make amendments to returns? Is the process complicated? How long does it take?

Question 4: If you submit amendments for different taxes, are there any (or elements of any) that are easier or more difficult than others?

Question 5: How long does it take to get a response from HMRC?

Question 6: What is your interaction like with HMRC when you make an amendment?

Question 7: Is there anything about the current amendments processes that cause you difficulty?

3. Potential policy approaches

Further evidence to support our findings

- 3.1 HMRC held informal consultation meetings with external stakeholders in February 2018 to discuss several tax administration topics, including amendments to returns. Discussions touched on the issues taxpayers (and their agents) face in making an amendment. In relation to amendments we have been told the following:
- The different ways of making amendments cause confusion.
 - Taxpayers want to have the same process regardless of when it is invoked.
 - Taxpayers want a process that is digitised end-to-end.
 - Taxpayers want to be able to explain why they made an amendment up front (including being able to attach supporting documents).
 - Taxpayers want a receipt and acknowledgement of an amendment.
 - HMRC should consider the process when agents are taking over clients in the middle of an amendment. Taking over clients is apparently a problematic time in any agent process.

What the future holds

- 3.2 Following the brief engagement to date on the subject of amendments, the government is seeking to understand the experience faced by a taxpayer when making an amendment to a tax return. The government wishes to consider suggestions for a method of correction that works for all tax returns and makes amendments more transparent and simple.
- 3.3 Although we have referred to ITSA, CTSA and VAT in this document, we are also interested in your views on return amendment processes for other taxes/duties administered by HMRC.
- 3.4 We want to create a consistent digital approach, whilst still accommodating the digitally assisted and excluded, to make it simple for taxpayers to see their returns and make amendments where necessary.

Questions

Question 8: What possible benefits might there be to a **consistent** amendments process across taxes?

Question 9: Do you think having one consistent way to amend all returns will result in savings for businesses? If so, please provide details e.g. simpler process, reduced contact with HMRC etc.

Question 10: How would you prefer to make amendments to returns?

Question 11: How do you feel about a future single **digital** amendment process for all taxes?

Question 12: Do you think being able to amend returns digitally will result in savings for businesses? If so, please provide details e.g. simpler process, reduced contact with HMRC etc.

Question 13: If you needed to make an amendment that covers **multiple** taxes (e.g. correcting IT and VAT) how would you see that working in future? Would you prefer to do each tax separately, or all in one?

4. Summary of Questions

Question 1: Which taxes do you submit returns for? How do you make amendments for each tax?

Question 2: What are your reasons for making amendments?

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Question 4: If you submit amendments for different taxes, are there any (or elements of any) that are easier or more difficult than others?

Question 5: How long does it take to get a response from HMRC?

Question 6: What is your interaction like with HMRC when you make an amendment?

Question 7: Is there anything about the current amendments processes that cause you difficulty?

Question 8: What possible benefits might there be to a **consistent** amendments process across taxes?

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5. Responding to this Call for Evidence

How to respond

A summary of the questions in this Call for Evidence is included at chapter 4.

Responses should be sent by 6 February 2019, by email to:

mtdta@hmrc.gsi.gov.uk

Or by post to:

HMRC
S1715
Harmonisation & Convergence/PDE
Floor 6 Central Mail Unit
Newcastle upon Tyne
NE98 1ZZ

Please do not send responses to the Consultation Coordinator.

Paper copies of this document or copies in Welsh and alternative formats (large print, audio and Braille) may be obtained free of charge from the above address. This document can also be accessed from [HMRC's GOV.UK pages](#). All responses will be acknowledged, but it will not be possible to give substantive replies to individual representations.

When responding please say if you are a business, individual or representative body. In the case of representative bodies please provide information on the number and nature of people you represent.

Confidentiality

Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes. These are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 2018, General Data Protection Regulation (GDPR) and the Environmental Information Regulations 2004.

If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals with, amongst other things, obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on HM Revenue & Customs.

Consultation Privacy Notice

This notice sets out how we will use your personal data, and your rights. It is made under Articles 13 and/or 14 of the General Data Protection Regulation

Your Data

The data

We will process the following personal data:

Name

Email address

Postal address

Phone number

Job title

Purpose

The purpose(s) for which we are processing your personal data is: A Call for Evidence on Amendments to tax returns

Legal basis of processing

The legal basis for processing your personal data is that the processing is necessary for the exercise of a function of a government department.

Recipients

Your personal data will be shared by us with HM Treasury.

Retention

Your personal data will be kept by us for six years and will then be deleted.

Your Rights

- You have the right to request information about how your personal data are processed, and to request a copy of that personal data.
- You have the right to request that any inaccuracies in your personal data are rectified without delay.
- You have the right to request that any incomplete personal data are completed, including by means of a supplementary statement.
- You have the right to request that your personal data are erased if there is no longer a justification for them to be processed.
- You have the right in certain circumstances (for example, where accuracy is contested) to request that the processing of your personal data is restricted.

Complaints

If you consider that your personal data has been misused or mishandled, you may make a complaint to the Information Commissioner, who is an independent regulator. The Information Commissioner can be contacted at:

Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF
0303 123 1113
casework@ico.org.uk

Any complaint to the Information Commissioner is without prejudice to your right to seek redress through the courts.

Contact details

The data controller for your personal data is HM Revenue & Customs. The contact details for the data controller are:

HMRC
100 Parliament Street
Westminster
London SW1A 2BQ

The contact details for HMRC's Data Protection Officer are:

The Data Protection Officer
HM Revenue & Customs
7th Floor, 10 South Colonnade
Canary Wharf, London E14 4PU
advice.dpa@hmrc.gsi.gov.uk

Consultation Principles

This call for evidence is being run in accordance with the government's Consultation Principles.

The Consultation Principles are available on the Cabinet Office website:
<http://www.cabinetoffice.gov.uk/resource-library/consultation-principles-guidance>

If you have any comments or complaints about the consultation process please contact:

John Pay, Consultation Coordinator, Budget Team, HM Revenue & Customs, 100 Parliament Street, London, SW1A 2BQ.

Email: mailto:hmrc-consultation.co-ordinator@hmrc.gsi.gov.uk

Please do not send responses to the consultation to this address.