

## TAX INVESTIGATIONS PACKAGE

We're here to protect you

### HMRC ENQUIRIES

#### What are the risks?

With the average enquiry taking up to 24 months to conclude, the associated costs can quickly escalate, yet the cost of not defending enquiries to their full extent can be substantially higher.

With HMRC forecasting an increase in compliance activity, coupled with the cost of living crisis and looming recession, it is more important than ever to ensure you're protected against unexpected costs that could add financial pressure to your business.

HMRC enquiries are better targeted and are being undertaken with an unprecedented level of detail and persistence, with approved Coronavirus Job Retention Scheme and Self-Employment Income Support Scheme payments, in particular, under the microscope.

Even if you've done nothing wrong, you may still be selected for a detailed review of your tax affairs. It's therefore a huge financial risk to not be protected against the growing number of HMRC enquiries.

#### HMRC CONTINUE TO NARROW THE TAX GAP

The UK tax gap is estimated to be 5.1%, continuing a long-term reduction in the overall tax gap, falling from 7.5% in 2005/6. This means HMRC secured nearly 95% of all taxes due against the backdrop of COVID-19.

In the 2020/21 financial year, HMRC's revenue was £608.8 billion. This has increased again to £731.1 billion protected in the financial year 2021/22. This is higher than pre-pandemic levels across all taxes.

With HMRC's continued drive for compliance, make sure you are protected with our comprehensive tax investigations package.

For a small monthly fee, you can rest assured that you are protected against the professional costs associated with an HMRC enquiry. The cost of not doing so could be an unnecessarily high tax bill.

#### How we can protect you

No one can prevent an investigation, but our tax investigations package will enable us to:

**Ensure** you receive the best defence to protect your tax position

**Challenge** HMRC's assertions and assumptions head on, establish that the basis of any enquiry is correct and make sure your case is handled fairly

**Ensure** the tax inspector is only requesting relevant information and documents, and provide all supporting evidence from our files relating to your return

**Handle** all communication with HMRC, including letters, phone calls or notices issued

**Prepare** for and attend any face-to-face meetings with HMRC

**Address** any complex or technical tax questions that are raised during the enquiry

Whether it's a PAYE or VAT visit, a technical challenge or a detailed books and records enquiry, our tax investigations package is designed to get you the best possible result and is why we strongly recommend that all our clients subscribe.

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## Who's most at risk of a tax investigation?

Tax investigations can happen to anyone – whether you are an individual or in business – however good your records are. HMRC regularly undertake random enquiries as a means of policing the system.

### PLUMBING

A plumbing company was subject to an HMRC employer compliance review. What began with the completion of a payroll questionnaire and follow-up conference call between the directors and HMRC soon snowballed into further requests for details of the payroll software, copies of payslips, bonuses, expenses credit card statements, mileage records, copy of the employee handbook, etc. All of this information was provided with assistance and guidance from the practice. HMRC ultimately closed the matter with no additional tax / NIC to be paid. **Final costs were nevertheless almost £1,500.**

### SOFTWARE COMPANY

An SME was selected for an HMRC enquiry into the company's claim for Research & Development Tax Credit Relief to check the qualifying expenditure. A detailed reply was provided by the practice and a conference call held with HMRC to explain the R&D claim. **As a result, HMRC were able to close the enquiry with no adjustments and the costs incurred were just over £6,000.**

### PERSONAL TAX ENQUIRY

HMRC opened an enquiry into an individual's Capital Gains Tax position, rollover relief and income from property. At the outset, HMRC requested a substantial amount of information. A detailed reply was provided, but HMRC continued to challenge the claim for rollover relief. After further correspondence, the enquiry was closed without any amendment to the return. **The fees incurred for representation in respect of the enquiry totalled £13,000.**

### LANDLORD

HMRC enquired into an individual with several rental properties in the UK and abroad. HMRC initially requested large amounts of information in respect of all land and property which was provided in detail. HMRC then narrowed down their enquiries to focus on the funding of property purchases. **Further information was provided and HMRC ultimately accepted the position but despite no tax to pay fees were still £5,000, thankfully met by the tax investigations package.**

## Expert legal support when you need it most

When you subscribe to our tax investigations package, you'll also have access to a team of qualified solicitors for employment law, health and safety matters and commercial issues.

**A legal expert is only a phone call away and, most importantly, the advice is:**

- » In plain English
- » Available **24/7, 365** days a year
- » **FREE\*** and unlimited

## Monthly Fees:

**SELF ASSESSMENTS & TRUSTS**  
**£5+ VAT per month**

**SOLE TRADER**  
**£11 + VAT per month**

**PARTNERSHIPS**  
**£13+ VAT per month**

**LIMITED COMPANY**  
**£16 + VAT per month**

## BUSINESS HUB

Business Hub assists with everyday legal issues around employment, health and safety, trading and contracts, cyber and data, debt and insolvency.

The Business Hub provides practical DIY templates and guidance around these topics, which saves business time and money.

### BUSINESS HUB INCLUDES:

- » 850+ DIY contracts, policies, forms and letter templates
- » 460+ guides
- » 360+ links to key resources

In the current climate, businesses need legal assistance more than ever. Don't put your business at risk – ensure you have access to expert assistance when you need it most.

**CONTACT US FOR MORE INFORMATION**

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