

ALL HAIL THE UNSUNG HEROES

Paul Oldridge pays tribute to the professionals who are working hard to help ensure that Making Tax Digital works for the Government and taxpayers alike

EVEN THOUGH most professionals accept that digitisation is the next logical step in the UK's taxation regime, there's been a furore over HMRC's ambitious timeframe for the Making Tax Digital (MTD) rollout. Many fear the pace of implementation will only lead to errors and problems, which the MTD objectives were at pains to prevent.

In an ideal world, all individuals would provide details of their taxable and non-taxable income to HMRC, which would then advise them on what tax was due. But with job cuts and staff shortages, HMRC just doesn't have the manpower or facilities to police this. In fact, it never has had.

So stepping into the breach, and ensuring the Government receives the tax it is due, go the tax practitioners. They steadily guide clients to calculate their tax obligations correctly and ensure HMRC gets paid.

With MTD, the proposition is to make people provide tax information on a quarterly basis. This has major time and resource implications for both clients and their tax advisers. One concern is that it will simply be "too much" to accommodate in busy lives. Others fear it creates further, cumbersome compliance,

which will hold back business growth and prosperity in the uncertain Brexit landscape that now lies ahead.

The proposed penalties to individuals for non-compliance may, at worst, warn them off conforming. The penalty system proposed for the practitioners who deliver late returns (because clients haven't supplied information on time), is likely to lead to these clients being dropped and having no representation or help whatsoever.

HMRC needs the UK's accountants and tax professionals. They are still the means to ensure it gets the tax revenues it has targeted. We applaud those professionals for all the diligent work they do on behalf of HMRC in sorting, checking and correcting individuals' returns. Without this effort both HMRC and individuals would lose out and mistakes would be abundant.

Even the best software in the world won't create an environment that is free of errors and mispostings. Many

individuals will struggle to apply the complex

UK tax rules and will want to seek expert guidance.

Nudges and prompts in the proposed MTD

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system will only go so far; expert interpretation of the rules will remain essential.

Which is why, here at BTCSoftware, we recognise that practitioners have a key role to play in:

- a) helping MTD meet HMRC's tax collection targets, but at the same time
- b) ensuring individuals interpret and meet their tax obligations correctly.

We are working very closely with HMRC in the development and testing of its APIs and MTD interface. In doing so we are ensuring our accounting and tax tools are in alignment with the new systems.

MTD is here to stay. It may get delayed but the tax revenues it promises are unlikely to be ignored by this or future governments. Therefore, accountancy and tax practitioners will need all the help they can get in the coming months. At BTCSoftware we will ensure that, when the time comes, they have all the tools they need in order to succeed. 

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