

Government sets out steps to modernise and simplify UK tax system

- Documents published today (30th November) also cover previous announcements including a consultation on the implementation of the Business Rates Review and reforms to Small Brewers Relief
- They have been released separately to the Budget to support greater transparency, discipline and accessibility of tax policy-making

As part of Tax Administration and Maintenance Day the government has set out further detail on its work to deliver a modern, simple and effective tax system – which helps taxpayers get their tax right the first time.

This includes work to support the delivery of announcements from the Autumn Budget and to help stimulate economic growth as we continue our recovery from the pandemic.

Today's announcements follow the commitment the Chancellor made at Autumn Budget and Spending Review 2021 – for there to be a dedicated day this Autumn for the administration and maintenance of the UK's tax system – supporting greater transparency, discipline and accessibility of tax policy-making.

Financial Secretary to the Treasury, Lucy Frazer said:

We want to build a tax system which supports the economic recovery, is simpler for businesses, and helps taxpayers get their tax right the first time.

Today's announcements set out what we are doing to achieve this – providing people and businesses with an opportunity to engage in this work and help shape this reform.

Jim Harra, HMRC's First Permanent Secretary and Chief Executive said:

As we continue our work to improve the tax system for UK taxpayers and clamp down on avoidance and evasion, we know that an open dialogue with our stakeholders is vital.

With thanks to the tax profession for their views, we can now announce the next steps for how we will simplify the legislative framework and raise standards in the tax advice market. We are also announcing new areas on which we are inviting views, including reforming Income Tax Self-Assessment registration for the self-employed.

These announcements will contribute to creating a modern, trusted tax administration system.

Documents published today include: * An update on reforms to Small Brewers Relief which will see the government invest around £15m of additional funding into the craft brewing sector. This will enable small breweries to expand without losing tax relief and addresses concerns raised by stakeholders that the current scheme fails to incentivise growth.

- A technical consultation setting out further detail on the conclusions to the government's review of business rates, including more frequent revaluations, improvement relief, exemptions for green technology, and administrative reforms.
- A report on Research and Development (R&D) tax reliefs, providing further details on announcements made at the Budget which included: refocusing relief in the UK, targeting abuse, and supporting innovation by expanding qualifying expenditure to capture cloud and data costs. It also provides a summary of responses to the consultation.

Tax Administration and Maintenance Day also builds on the action the government took as part of its March 2021 [Tax policies and consultation update](#), where the government set out measures to support the government's wider ten-year plan to build a [modern and trusted tax administration system](#), and to tackle non-compliance.

The ten-year plan was published in July 2020, to modernise the tax administration framework, make better use of real time and third party information, and progress Making Tax Digital to improve the experience for taxpayers and businesses, reducing the tax gap and increasing resilience.

Further information

Further publications include:

- A Call for Evidence on reforming registration for Income Tax Self Assessment (ITSA) to give taxpayers a better understanding of their tax obligations and support available to them.
- Publishing a summary of responses to the Call for Evidence on the Tax Administration Framework Review (TAFR), including plans to reform several areas of the tax administrations system to simplify and modernise it.
- A Call for Evidence on the role umbrella companies play in the labour market to improve our understanding of the sector.

- Publishing the first five-year review of the Office of Tax Simplification (OTS) launched in March 2021 to examine the effectiveness of the OTS.
- A consultation on potential changes to the Stamp Duty Land Tax reliefs for mixed-property and multiple dwellings to ensure they operate fairly and to reduce the scope for misuse.
- Measures apply UK-wide unless otherwise stated, such as:

(i) SDLT consultation on mixed property/multiple-dwellings relief: SDLT applies in England and Northern Ireland

(ii) Finance Act 2021 introduced tax conditionality for certain licenses in England and Wales. This will apply from April 2022. Measures announced today extends tax conditionality to similar licences in Scotland and Northern Ireland, creating a UK-wide approach

(iii) Landfill Tax applies in England and Northern Ireland

(iv) Business rates is England only

- There are no funding implications for the devolved administrations from today's announcement as all measures were accounted for at the Budget and Spending Review 2021
- For a full list of announcements please see the [Command Paper](#).