

Loan Charge Debate

I attended the brief debate on the taxation of loans in the House on 8th January. I intervened in the debate to make the points that people had often taken professional advice about the legality of these schemes, and had notified the tax authorities of what they were doing.

Other speakers in the debate set out individual cases that demonstrated the Revenue was seeking to go back a long way and to impose very large retrospective charges on people when they had not tried to charge them extra tax at the time.

Given the number of MPs including myself who would have voted for the amendment to the Finance Bill calling for a review, the Government conceded and accepted the amendment. This is welcome and gives us another opportunity to put the case to the Revenue. The Treasury Minister accepting the Amendment did not however accept the underlying point at issue, and reaffirmed the Treasury view that some of these schemes were always illegal and that tax remains due. I recommend that support groups re-submit the case to the Treasury as part of the review they must now undertake.