

## CAPITAL GAINS TAX REPORTING - A DIGITAL STING

The Government has previously announced its intention to move towards digitalisation of tax administration. This is now confirmed with an investment of £1.3 billion to "transform HMRC into one of the most digitally advanced tax administrations in the world" providing access to Digital Tax Accounts for all small businesses and individuals from 2016-17. There is scant detail of how this will be achieved but a potential sting in the tail is emerging.

The Chancellor announced that Capital Gains Tax due on sales of residential property will be **collected within 30 days** from April 2019, a shortening of the collection period by up to 21 months. A similar intention was announced in relation to the collection of Stamp Duty Land Tax, reducing the period from 30 days to 14 days.

It is also suggested that from 2020 the self-employed and landlords may be required to update HMRC quarterly and that a consultation will take place on bringing payment dates closer to when profits arise. Does this represent a direction of travel for the Government, such that payment dates for other taxes will be shortened? A potentially significant cash flow impact for business and individuals to watch out for in the coming months and years.

