



Treasury Committee

House of Commons, Committee Office 14 Tothill Street, London SW1H 9NB

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David Gauke Esq MP
Financial Secretary to the Treasury
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

8 January 2016

Dear Mr Gauke,

MAKING TAX DIGITAL (QUARTERLY "TAX RETURNS")

We have spoken informally about this and, as you know, the Treasury Committee has been seeking more information on it since the concerns about "quarterly tax returns" first gathered pace after the Autumn Statement, which took further the announcement on digital tax accounts at the March 2015 Budget.

Many small businesses, and their tax advisers, are deeply concerned about these proposals. This is scarcely surprising given the lack of detailed explanation, readily available from the Government, about how the proposals will be implemented. As the available material makes clear, implementation will take place between 2018 and 2020.

The only substantive outline of the proposal so far available describes it as "efficient and easier for businesses". With that, and the concerns expressed about it, in mind, and as a first step, I would be grateful if you would provide an assurance that:

- businesses will not be compelled to pay tax sooner than currently;
- businesses will not be required to provide quarterly updates requiring more burdensome record keeping than currently;
- adequate arrangements will be made for those businesses who do not use computers; and
- all the details, including the associated penalty regime, will be subject to full consultation prior to any decisions.

I will be placing this letter, and your reply in due course, in the public domain.

*Yours sincerely,
James Rhye*

pp- RT HON ANDREW TYRIE MP
CHAIRMAN OF THE TREASURY COMMITTEE