

Current Concerns

Our Tax & VAT Advisory team receive a variety of calls. However, during September 2009 the latest Hot Topics on the advice lines were:

- **Capital allowances** – The April 2008 rate changes are still creating confusion as to how assets should be apportioned and exactly what qualifies for the Annual Investment Allowance, First Year allowance and the rates of WDA. However, a huge bug-bear is still the treatment of ‘integral or embedded features’ – please see the ReCap page on our website for further information.
- **Entrepreneurs’ relief** – The replacement of taper relief was always going to create difficulties of interpretation and particularly calculating the correct tax due.
- **Associated companies** – Legislation designed to stop the creation of multiple companies to deny use of the small companies’ rate has been written with such a broad definition of control that there are many pitfalls for the unwary.
- **Intangibles & goodwill amortisation** – Rule changes in 2002 mean that in certain circumstances it is possible for a company to get tax relief for acquisitions from a connected party, but the legislation is not user-friendly.
- **Writing-off of loans between companies and the treatment of loans to directors** - The legislation is unhelpful in determining the treatment of debtor and creditor companies under loan relationships; the current economic climate makes the issue particularly relevant as loan repayments are not being met with tax implications for all parties.
- **VAT** – Not a favourite area of taxation for many practitioners and with queries ranging from VAT registration through partial exemption to the complexities of land & property and more recently the changes to the ‘place of supply of services’ rules from 1st January 2010, it is no surprise that both of our VAT consultants are kept very busy!

The above examples reflect the issues currently concerning practitioners and their clients. If you would like more information on the Helpline Services available as advisory packages or forming part of our insured services, please contact [0870 166 6270](tel:08701666270) or email sales@abbeytax.co.uk

