



Tax Health Plan

H M Revenue & Customs (“HMRC”) have just announced a new initiative aimed at the medical profession to collect underpaid tax - they are calling it the Tax Health Plan.

They have said that will now have the ability to follow up any payments made by NHS Trusts, private hospitals and private medical insurers to health professionals to check that recipients have put them on their returns. **They say that they actually will do this follow-up, and they will be looking for tax penalties when they find income which has not been declared.**

However, they have given a limited window of opportunity for medical professionals to make a full disclosure before they do this, in which case the penalties for under-declaration of back tax will be reduced to 10%. If you don't take this opportunity and HMRC later find you've underpaid tax, the penalties will be a lot harsher!

This more generous penalty regime applies not just to undeclared professional income, but also (so it appears) to investment income that hasn't been taxed — but only if you've got undeclared professional income!

HMRC charge interest on tax paid late. This disclosure scheme doesn't reduce the interest at all. It just gives the opportunity to clear up tax arrears with a reduced penalty.

Our advice is that, if you think this new initiative applies to you, you should contact us straight away to discuss it. To benefit from the deal you need to register by the end of March and to have let HMRC have details of undisclosed income by the end of June

If you think you might be affected by this and for more information speak to Gerry Jackson on 01865 261100.