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What has the Tax Centre of Excellence been working on?

An updated version the Tax CoE grants guidance has been uploaded onto the website. This now includes VAT scenarios that should assist when determining whether a supply is a Grant in terms of VAT Treatment. Please see [here](#).

We are currently updating the Tax Centre of Excellence [website](#) following your feedback on issues such as navigation and intuitiveness. This is likely to roll on into the New Year, however you might see some subtle changes happening over the next few months. Please let us know what you think.

As some of you may already be aware due to recent contact, we are working on some Cross-Government Guidance for IR35 and the VAT return along with a best practice process map. Hopefully this will facilitate a more joined up approach towards assurance and reporting for IR35 Cross-Government.

Tax Centre of Excellence Forums

We are pleased to announce that another VAT Forum will be taking place on the 12th December in London, details will follow. In addition, we are intending to host our first Direct Tax Forum later in the New Year and would welcome the names of contacts in each of the Departments that would like to attend in order to put together a focused distribution list.

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Powers to set a Welsh rate of Income Tax enter into force

A tax payer who is resident in the UK for tax purposes and has their sole or main place of residence in Wales for more of the Tax year than any other part of the UK will pay [Welsh rates of Income Tax](#). Welsh taxpayers' status applies for a whole tax year and cannot be applied for part of the year. This change will apply from April 2019. Employees affected by the change and liable to pay the Welsh rate of income tax will be identified by the addition of a C(Cymru) prefix that will be applied to their tax code.

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HMRC's Revised Business Risk Review

HMRC is commencing its pilot exercise for the new Business Risk Review (BRR) process, with a view to rolling out the new process in 2019/20. The pilot will run from September 2018 to January 2019 and will be conducted with a small sample of customers (around 50 companies). Businesses will be classified into four risk categories rather than two. These will be the following: low, moderate, moderate-high and high. Assessment on businesses will be based on their assurance checks, maintenance of risk registers and documented procedures, delivery of accurate Tax Returns and ensuring tax strategies are used to steer all tax considerations.

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Updated version of 480 Expenses and Benefits – A Tax Guide

HMRC have released an updated version of the Expenses and Benefits guide for Financial Year 1819. There has been an update to section 24.1 and 25.1 to account for the changes in employers registering to payroll the benefits and expenses and having the tax deducted under PAYE. To access please click [here](#).

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Office Holder Expenses and Tax

You may have had an instruction from HMRC that you are no longer able to settle the tax on Office Holder expenses through the PAYE Settlement Agreement from April 19. If you have previously settled the tax liability in this way, then from April 2019 onwards taxable Office Holder expenses will require PAYE and NI deductions through the payroll instead. If you have a PSA for Office Holders but have not been contacted by HMRC then you should contact your Customer Compliance Manager.

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HMRC publish VAT Partial Exemption Frameworks for NHS Bodies

HMRC has updated its guide to the partial exemption special methods available to NHS Trusts. The revised version contains more detail on the standard override adjustment where a trust has not sought approval for a special method, and in the process of obtaining approval. Please see [here](#) for the 'Framework for NHS Bodies' VAT Recovery calculation methods'.

Don't forget to regularly visit our Tax CoE [website](#) which contains lots of other useful guidance and documentation. We also have a short questionnaire, allowing you to give your input on how you feel the Tax CoE is doing.

Once more, we welcome feedback on this month's Bulletin and if there are any topics that you would like to see covered in the future.