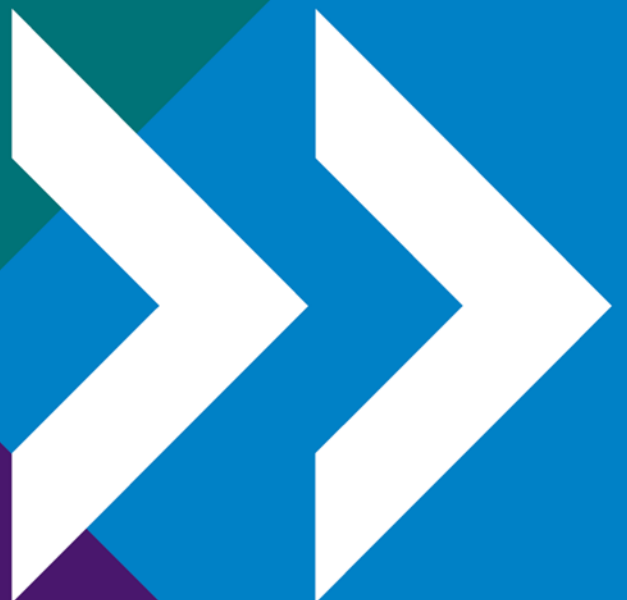


Tax Enquiry Service

FAQs



Tax Enquiry Service - Frequently asked questions

I've done nothing wrong, why should I worry about a tax enquiry?

Most tax enquiries are generated by computer 'risk profiling' and can be occasionally selected at random. As a result, HMRC sometimes select the wrong targets. Even if you have done nothing wrong, HMRC will not give up and will still try hard to find errors.

Can anyone's tax affairs be scrutinised by HMRC?

Anyone who submits a tax return can come under scrutiny. Every year, HMRC start enquiries into many thousands of personal and business tax returns and accounts. VAT and PAYE payments are also thoroughly checked. This is HMRC's seventh consecutive year of record total tax revenues, collecting a total of £843.4 billion - £29.4 billion more than the previous year.

I need to reduce my spending and so won't pay for a Tax Enquiry Service.

Not paying the annual cost could be a false economy. The potentially high costs of defending you in an enquiry, costs may be £5,000 or more even where no errors are found, would be much less affordable than the comparatively small annual charge. One thing is certain – HMRC does not stop making enquiries into tax returns.

I don't think I need fee protection.

Like any other protection to meet an unexpected cost, everyone hopes that they don't need it but when a costly enquiry starts, clients are glad that they've subscribed.

I've already got some fee protection through a trade subscription or policy.

The service offered by these types of protection will normally be limited and not as wide ranging as the package we offer. Such policies are not likely to pay our fees to look after you and may instead bring in an outside consultant who doesn't know you.

How much could a tax enquiry cost me in professional fees?

The questions asked by HMRC are usually very detailed and time-consuming to answer. The costs of defending you can easily run from £10,000 - £60,000 or more, even if little or no extra tax is paid at the end of the enquiry.

Is there anything I can do for peace of mind?

You can subscribe to the Johnston Carmichael Tax Enquiry Service which will settle the costs of defending you in the event of a tax enquiry by HMRC, up to £125,000.

What is a Tax Enquiry Service?

It is a service set up by us and is backed by an insurance policy we have taken out in our name with Markel Tax and protects our clients who are selected for a tax enquiry. For an annual fee, you can join our service and obtain the benefits described in the Service Summary.

What are the main benefits of the Johnston Carmichael Tax Enquiry Service?

We will defend you, if and when you are selected for a tax enquiry by HMRC. You will be protected against the potentially high costs of professional fees, subject to the exclusions detailed in the Service Summary. It will not be necessary to accept unreasonable tax charges by HMRC due to concerns about professional fees. You will also get free access to a 24/7 business legal helpline.

What is protected by the Tax Enquiry Service?

Under the service subscribing clients will be protected up to £125,000 of qualifying costs.

What is not protected by the Enquiry Service?

Again, these are detailed in our Service Summary. If there is a something you are uncertain about, just ask us.

For more information, please contact your usual Johnston Carmichael adviser or contact us at tes@jcca.co.uk.

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