

UNIVERSITY OF BOLTON

GREATER MANCHESTER BUSINESS SCHOOL

**MSC ACCOUNTANCY AND FINANCIAL
MANAGEMENT**

SEMESTER TWO EXAMINATIONS 2022/2023

ADVANCED TAXATION

MODULE NO: ACC7506

Date: Wednesday 10 May 2023

Time: 10.00 – 1.00

INSTRUCTIONS TO CANDIDATES:

There are 3 questions on this paper.

Answer **ALL THREE** questions.

This is a closed book examination. Tax tables, time limits and elections are provided.

You must hand in this exam paper with your answer booklet.

Use of calculators is allowed.

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SECTION A – ANSWER ALL QUESTIONS FROM THIS SECTION

Question 1

You should assume that today's date is 1 June 2023.

Your manager has had meetings with two independent clients – Sohail and Katrina. Sohail recently appointed your firm to be his tax advisers. Katrina has been a client of the firm for several years. Extracts from the memorandum recording the matters discussed at the meeting and from an email from your manager are set out below.

Extract from the memorandum

Sohail

Sohail is resident and domiciled in the UK.

Sohail has owned and operated his unincorporated business since 2009. In February 2023 Sohail disposed of some land. He used the proceeds to purchase equipment and vans on 1 May 2023 in order to expand his business.

Sohail's only other income consists of UK property income of £5,000 per annum.

Capital transactions

1 November 2021 Sohail inherited eight hectares of land from his uncle. Sohail's uncle had purchased the land for £70,000 in 2003. At the time of the uncle's death, the land was worth £200,000.

5 November 2021 Sohail gave £400 to each of his three nephews.

1 February 2023 On this date, when the eight hectares of land were worth £290,000, Sohail gave two hectares, valued by an independent expert at £100,000, to his son. Capital gains tax gift holdover relief was not available in respect of this gift.

2 February 2023 Sohail sold the remaining six hectares of land at auction for £170,000.

Sohail has not made any disposals for the purposes of capital gains tax other than those set out above.

Sohail has not made any transfers of value for the purposes of inheritance tax other than those set out above.

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Question 1 continued

Sohail's business

Sohail's business provides delivery services. The majority of its customers are members of the public. Sohail is not registered for the purposes of value added tax (VAT).

The recent actual and budgeted results of the business are set out below.

	Year ended 31 March		
	Actual 2022 £	Actual 2023 £	Budgeted 2024 £
Sales	48,000	65,000	96,000
Expenses	(6,000)	(8,000)	(13,000)
Profit per the accounts	42,000	57,000	83,000
Adjustments for tax purposes	2,000	1,000	4,000
Capital allowances	(1,000)	(1,000)	(155,000)
Tax adjusted profit/(loss)	43,000	57,000	(68,000)
Income tax liability for the tax year	7,086	12,232	0

In the year ending 31 March 2025, no capital allowances will be available to Sohail. With the exception of capital allowances, the results for the year ending 31 March 2025 are expected to be the same as those for the year ended 31 March 2024.

Additional information: Sohail

- The income tax liabilities in the memorandum take account of Sohail's UK property income as well as his trading income and are correct.
- Sohail pays all of his tax liabilities on or before the due dates.

Katrina

Katrina has been living in the country of Bhutan.

Moving to the UK

Katrina has entered into an employment contract with LCD plc, a UK based company. She will move to the UK to commence employment on 1 August 2023. She will buy a home in the UK on 1 October 2023, and will live in rented accommodation until then.

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Question 1 continued

Employment contract with LCD plc

The contract is for a minimum period of four years.

Under the contract Katrina will earn a salary of £16,500 per month.

The Blue House

The Blue House is Katrina's current home in Bhutan. Katrina will retain this house and rent it out from 6 July 2023 for £3,200 per month paid in advance. This amount is after the deduction of allowable property expenses.

Additional information: Katrina

- Katrina was born in the UK and has a UK domicile of origin. She is currently neither domiciled nor deemed domiciled in the UK in respect of all taxes, but you should bear in mind that her domicile status may change over time.
- The split year basis applies to Katrina in the tax year 2023/24. We ARE NOT required to provide an explanation as to why this is the case.
- Katrina will be UK resident in the tax year 2024/25.
- The remittance basis is not relevant to Katrina, as she will remit all of her rental income to the UK.

Tax system in the country of Bhutan

- Katrina's rental income will be subject to tax in Bhutan at the rate of 45%.
- There is no double tax treaty between the UK and Bhutan.

Required:

Prepare the meeting notes requested in the following email from your manager.

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Question 1 continued

Extract from an email from your manager

The notes should address the following issues:

(a) Capital transactions

(i) Inheritance tax

- The availability of the small gifts exemption in respect of Sohail's gifts to his nephews.
- A calculation of the potentially exempt transfer on 1 February 2023 after deduction of any available exemptions.

(4 marks)

- (ii)** A calculation of Sohail's chargeable gains and capital gains tax liability for the tax year 2022/23.

(4 marks)

(b) Budgeted trading loss for the year ending 31 March 2024

- (i)** Calculations, with brief supporting explanations where necessary, of the tax that would be saved in respect of the offset of the trading loss for the tax year 2023/24 if:

- 1 the loss is relieved as soon as possible
- 2 the loss is carried forward for relief in the future.

A brief evaluation of your findings and the relevance to Sohail of the £50,000 restriction on the offset of trading losses.

(10 marks)

- (ii)** On the assumptions that the trading loss is carried forward and that Sohail wishes to maximise his cash flow position, prepare a schedule of the dates and amounts of the payments on account and balancing payments Sohail would expect to make, post 1 January 2024, in respect of his tax liabilities for the tax years 2022/23, 2023/24 and 2024/25. Include brief explanations of the payments on account amounts.

(5 marks)

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Question 1 continued

(c) Reporting of chargeable gains

Sohail does not intend to report his chargeable gains on his income tax return as he believes that the tax authorities should be able to obtain this information from other sources. Explain the implications for Sohail, and our firm, of Sohail failing to report the chargeable gains to HM Revenue and Customs.

(5 marks)

(d) Value added tax (VAT)

Explain, without performing any calculations, Sohail's obligation to compulsorily register for VAT; and state Sohail's ability, following registration, to recover the input tax incurred prior to registering.

(4 marks)

Please prepare an extract for inclusion in an email to Katrina which includes the following:

(e) Katrina's income tax liability for the tax year 2023/24

- Calculate Katrina's income tax liability for this tax year. You should include an explanation of the amount of Katrina's overseas property income which will be subject to UK income tax in the tax year.

(8 marks)

Total 40 Marks

Tax manager

Professional marks will be awarded for the demonstration of skill in communication, analysis and evaluation, scepticism and commercial acumen in your answer

(10 marks)

(Total: 50 marks)

**END OF SECTION A
END OF QUESTION 1**

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SECTION B – ANSWER BOTH QUESTIONS FROM THIS SECTION

Question 2

You should assume that today's date is 1 December 2023.

Your firm has been asked to provide Lauren with advice in connection with inheritance tax, and Bruno, Nuno and Drish with advice in connection with the provision of cars and loans by their company.

Lauren

- Lauren is single and does not have any children.
- Lauren is resident in the UK but domiciled overseas. She was born in Ruritania but has been living and working in the UK since 2018.

Lifetime gifts

- During the year to 5 April 2023 Lauren gifted the following assets to her brother, Martin.
 - (1) 50,000 £1 ordinary shares in Gold plc on 1 July 2022 when the shares were quoted at 221–229p, with bargains on that day of 219p, 220p and 225p. Lauren has never been an employee or officer of Gold plc and holds less than 5% of the company's shares.
 - (2) An overseas property on 6 November 2022 when its market value was £245,000.
 - (3) A UK investment property on 6 January 2023 when its market value was £140,000.

Lauren has not previously made any lifetime transfers of assets.

Gift of main residence

- Lauren intends to gift her main residence in the UK to her niece, Carla, on 1 January 2024.
- The house is currently worth in the region of £400,000.
- The house has always been Lauren's main residence and she intends to continue to live in this house after the gift, regardless of the tax implications.

Lush Ltd

- Lush Ltd is an unquoted trading company that is 100% owned and under the control of three brothers, Bruno, Nuno and Drish.
- Bruno and Nuno are full-time working directors of Lush Ltd, but Drish is neither a director nor an employee.

Question 2 continued over the page

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Question 2 continued

Provision of cars

- On 6 April 2022 Lush Ltd provided Bruno, Nuno and Drish with new diesel cars with a list price of £27,000 and carbon dioxide emissions of 121g/km each.
- The cars meet the RDE2 standard.
- Bruno made a capital contribution of £6,000 towards the cost of his car.
- All of the cars were available for private use, but no private diesel was provided during the tax year 2022/23 to any of the brothers.

Interest free loans

- On 6 July 2022 Lush Ltd made interest free loans of £75,000 each to Bruno, Nuno and Drish.
- Bruno used the loan to finance the purchase of his main residence, and Nuno and Drish used their loans to purchase holiday apartments in the USA.
- Lush Ltd wrote off £25,000 of Drish's loan on 31 March 2023.

Background

- Bruno, Nuno and Drish are all additional rate taxpayers who receive sufficient amounts of savings and dividend income each tax year to utilise their savings and dividend nil rate bands. They are all resident in the UK for tax purposes.
- Lush Ltd has an accounting reference date of 31 March each year.
- Lush Ltd does not pay corporation tax via the instalment system.

Required:

You should assume that today's date is 1 December 2023.

- (a) (i) **State the basis on which Lauren will be charged to inheritance tax (IHT) given her tax status in the tax year 2022/23.**

(2 marks)

- (ii) **Explain in detail the inheritance tax (IHT) implications of Lauren making the gift of her main residence to her niece, and calculate the IHT arising if Lauren should die on 1 April 2028.**

Assume that the value of the property will still be £400,000, that Lauren retains her non-UK domicile for the purpose of IHT and that the tax rates and allowances for 2022/23 apply throughout.

(6 marks)

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Question 2 continued

(iii) Suggest a way by which the IHT liability calculated in (ii) above could be reduced and indicate any other tax implications arising from this advice.

(1 mark)

(b) Advise Lush Ltd, Bruno, Nuno and Drish of the corporation tax and income tax implications arising from:

(i) The provision of the three company cars.

(ii) The provision of the interest free loans of £75,000.

Your answer should be confined to the implications for 2022/23, and should include calculations of the tax reliefs and liabilities arising.

Ignore NIC and VAT.

(11 marks)

Professional marks will be awarded for the demonstration of skill in analysis and evaluation and commercial acumen in your answer.

(5 marks)

(Total: 25 marks)

END OF QUESTION 2

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Question 3

You should assume that today's date is 1 May 2023.

You have been asked to provide advice to two unconnected clients, Khadija and Gardo Ltd. Khadija has asked for advice in connection with her capital gains tax on the disposal of various assets and reinvestment in seed enterprise investment scheme (SEIS) shares. The management of Gardo Ltd is considering whether to use a branch or a subsidiary in order to establish a trading operation overseas.

Khadija

- Is resident and domiciled in the UK.
- Has taxable income for 2022/23 of £275,000.

Disposals of capital assets in the tax year 2022/23

- Khadija assigned a 25-year lease on a property for £115,000 on 1 December 2022.
- On 1 February 2023 Khadija sold 18,000 shares in Hardrock Plc for £87,500.
- On the same date, Khadija sold £15,000 6% Hardrock Plc non-convertible loan stock for £21,300.
- No other capital disposals were made by Khadija in the tax year 2022/23.

Acquisition of lease

- The lease was previously assigned to Khadija for £79,000 when it had 38 years remaining.

Loan stock and ordinary shares in Hardrock Plc

- Khadija purchased 10,000 shares in Bran Plc for £54,000 on 1 September 2017.
- On 1 December 2020, Hardrock Plc acquired 100% of the ordinary share capital of Bran Plc.
- In exchange for her shares in Bran Plc Khadija received the following:

	Market value at 1 December 2020
	£
30,000 £1 ordinary shares in Hardrock Plc	85,000
£15,000 6% Hardrock Plc non-convertible loan stock	17,000

- The takeover was for bona fide commercial reasons and was not for the avoidance of tax.
- The loan stock is a qualifying corporate bond.

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Question 3 continued

Investment in Fish Ltd shares

- Khadija subscribed for £110,000 worth of shares in Fish Ltd, a qualifying SEIS company, on 1 March 2023.

Gardo Ltd

- Is a UK resident trading company with several subsidiaries.
- Intends to establish a trading operation in the country of Poisson.

Planned trading operation in the country of Poisson:

- Will be operated via a branch of Gardo Ltd or via a new subsidiary incorporated and resident in Poisson.
- Is expected to make a loss in its first year of trading of £90,000 and have no other income or gains.
- Is expected to make profits in excess of £125,000 per year in future years.

The tax system in the country of Poisson:

- Is broadly the same as that in the UK.
- The rate of corporation tax is 34%.
- Trading losses may only be utilised by companies resident in Poisson.
- Poisson is not a member of the European Union and there is no double tax treaty between the UK and Poisson.

Required:

You should assume that today's date is 1 May 2023.

- (a) (i) Calculate Khadija's taxable gains for the tax year 2022/23, assuming the maximum possible claim for SEIS reinvestment relief is made.

The following lease percentages should be used, where necessary.

25 years 81.100

38 years 94.189

(7 marks)

- (ii) State the tax implications of Khadija selling the shares in Fish Ltd at some point in the future. (5 marks)

- (b) Provide a detailed explanation of the relief available in respect of the anticipated loss to be made in the first year of trading by the planned trading operation in the country of Poisson, depending on whether a branch or a subsidiary company is used and advise the management of Gardo Ltd on the choice available to them. (8 marks)

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Question 3 continued

Professional marks will be awarded for the demonstration of skill in analysis and evaluation and commercial acumen in your answer.

(5 marks)

(Total: 25 marks)

END OF QUESTION 3

END OF EXAM

PLEASE TURN OVER THE TAX TABLES

PAST EXAMINATION

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TAX RATES AND ALLOWANCES

- 1 You should assume that the tax rates and allowances for the tax year 2022/23 and for the financial year to 31 March 2023 will continue to apply for the foreseeable future unless you are instructed otherwise.
- 2 Calculations and workings need only to be made to the nearest £.
- 3 All apportionments should be made to the nearest month.
- 4 All workings should be shown.

Income tax

		Normal rates	Dividend rates
Basic rate	£1 – £37,700	20%	8.75%
Higher rate	£37,701 – £150,000	40%	33.75%
Additional rate	£150,001 and above	45%	39.35%

Savings income nil rate band – Basic rate taxpayers £1,000
 – Higher rate taxpayers £500

Dividend nil rate band £2,000

A starting rate of 0% applies to savings income where it falls within the first £5,000 of taxable income.

Personal allowance

Personal allowance £12,570

Transferable amount £1,260 Income limit £100,000

Where adjusted net income is £125,140 or more, the personal allowance is reduced to zero.

Residence status

Days in UK	Previously resident	Not previously resident
Less than 16	Automatically not resident	Automatically not resident
16 to 45	Resident if 4 UK ties (or more)	Automatically not resident
46 to 90	Resident if 3 UK ties (or more)	Resident if 4 UK ties
91 to 120	Resident if 2 UK ties (or more)	Resident if 3 UK ties (or more)
121 to 182	Resident if 1 UK tie (or more)	Resident if 2 UK ties (or more)
183 or more	Automatically resident	Automatically resident

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Remittance basis charge

UK resident for:	Charge
Seven out of the last nine years	£30,000
12 out of the last 14 years	£60,000

Car benefit percentage

The relevant base level of CO₂ emissions is 55 grams per kilometre.

The percentage rates applying to petrol cars (and diesel cars meeting the RDE2 standard) with CO₂ emissions up to this level are:

51 grams to 54 grams per kilometre	15%
55 grams per kilometre	16%

The percentage for electric cars with zero CO₂ emissions is 2%.

For hybrid-electric cars with CO₂ emissions between 1 and 50 grams per kilometre, the electric range of a car is relevant:

Electric range

130 miles or more	2%
70 to 129 miles	5%
40 to 69 miles	8%
30 to 39 miles	12%

PAST EXAMINATION

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Less than 30 miles 14%

Car fuel benefit

The base figure for calculating the car fuel benefit is £25,300.

Company van benefits

The company van benefit scale charge is £3,600, and the van fuel benefit is £688. Vans producing zero emissions have a 0% benefit.

Individual savings accounts (ISAs)

The overall investment limit is £20,000.

Rent a room relief

The rent a room relief limit is £7,500.

Pension scheme limits

Annual allowance	£40,000
Minimum allowance	£4,000
Threshold income limit	£200,000
Income limit	£240,000
Lifetime allowance	£1,073,100

The maximum contribution that can qualify for tax relief without any earnings is £3,600.

Approved mileage allowances: cars

Up to 10,000 miles	45p
Over 10,000 miles	25p

TAX RATES AND ALLOWANCES

Capital allowances: rates of allowance

Plant and machinery

Main pool	18%
Special rate pool	6%

Cars

New cars with zero CO ₂ emissions	100%
CO ₂ emissions between 1 and 50 grams per kilometre	18%
CO ₂ emissions over 50 grams per kilometre	6%

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Annual investment allowance

Rate of allowance	100%
Expenditure limit	£1,000,000

Enhanced capital allowances for companies

Main pool super deduction	130%
Special rate pool first year allowance	50%

Structures and buildings allowance

Straight-line allowance	3%
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Cash basis accounting

Revenue limit	£150,000
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Cap on income tax reliefs

Unless otherwise restricted, reliefs are capped at the higher of £50,000 or 25% of income.

Corporation tax

Rate of tax – Financial year 2022	19%
– Financial year 2021	19%
– Financial year 2020	19%
Profit threshold	£1,500,000

Value added tax (VAT)

Standard rate	20%
Registration limit	£85,000
Deregistration limit	£83,000

Inheritance tax: nil rate bands and tax rates

Nil rate band	£325,000
Residence nil rate band	£175,000
Rate of tax on excess	– Lifetime rate 20%
	– Death rate 40%

Inheritance tax: taper relief

Years before death	Percentage reduction
More than 3 but less than 4 years	20%

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More than 4 but less than 5 years	40%
More than 5 but less than 6 years	60%
More than 6 but less than 7 years	80%

Capital gains tax: tax rates

	Normal rates	Residential property
Lower rate	10%	18%
Higher rate	20%	28%
Annual exempt amount		£12,300

Capital gains tax: business asset disposal relief and investors' relief

Lifetime limit – business asset disposal relief	£1,000,000
– investors' relief	£10,000,000

Rate of tax	10%
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TAX RATES AND ALLOWANCES

National insurance contributions

Class 1 Employee	£1 – £12,570 per year	Nil
	£12,571 – £50,270 per year	13.25%
	£50,271 and above per year	3.25%
Class 1 Employer	£1 – £9,100 per year	Nil
	£9,101 and above per year	15.05%
	Employment allowance	£5,000
Class 1A		15.05%
Class 2	£3.15 per week	
	Lower profits limit	£12,570

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Class 4	£1 – £12,570 per year	Nil
	£12,571 – £50,270 per year	10.25%
	£50,271 and above per year	3.25%

Rates of interest (assumed)

Official rate of interest	2.00%
Rate of interest on underpaid tax	3.25%
Rate of interest on overpaid tax	0.50%

Standard penalties for errors

Taxpayer behaviour	Maximum penalty	Minimum penalty – unprompted disclosure	Minimum penalty – prompted disclosure
Deliberate and concealed	100%	30%	50%
Deliberate but not concealed	70%	20%	35%
Careless	30%	0%	15%

Stamp duty land tax on non-residential properties

Up to £150,000	0%
£150,001 – £250,000	2%
£250,001 and above	5%

Stamp duty

Shares	0.5%
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TIME LIMITS AND ELECTION DATES

Income tax

Election/claim	Time limit	For 2022/23
Agree the amount of trading losses to carry forward	4 years from the end of the tax year in which the loss arose	5 April 2027

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Current and prior year set-off of trading losses against total income (and chargeable gains)	12 months from 31 January following the end of the tax year in which the loss arose	31 January 2025
Three year carry back of trading losses in the opening years	12 months from 31 January following the end of the tax year in which the loss arose	31 January 2025
Three year carry back of terminal trading losses in the closing years	4 years from the end of the last tax year of trading	5 April 2027
Set-off of loss on the disposal of unquoted trading company shares against income	12 months from 31 January following the end of the tax year in which the loss arose	31 January 2025
Transfer of assets eligible for capital allowances between connected parties at TWDV	2 years from the date of sale	

National Insurance Contributions

Election/claim	Time limit	For 2022/23
Class 1 primary and secondary – pay days	17 days after the end of each tax month under PAYE system (14 days if not paid electronically)	22nd of each month
Class 1 A NIC – pay day	22 July following end of tax year (19 July if not paid electronically)	22 July 2023
Class 2 NICs – pay days	Paid under self-assessment with balancing payment	31 January 2024
Class 4 NICs – pay days	Paid under self-assessment with income tax	

Capital gains tax

Election/claim	Time limit	For 2022/23
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Replacement of business asset relief for individuals (Rollover relief)	4 years from the end of the tax year: – in which the disposal occurred or – the replacement asset was acquired whichever is later	5 April 2027 for 2022/23 sale or acquisition (if later event)
Holdover relief of gain on the gift of a business asset (Gift holdover relief)	4 years from the end of the tax year in which the disposal occurred	5 April 2027
Disapplication of incorporation relief	2 years from the 31 January following the end of the tax year in which the business is transferred If sell all shares by 5 April following tax year of incorporation: Time limit 12 months earlier than normal claim date	31 January 2026 31 January 2025
EIS reinvestment relief	5 years from 31 January following the end of the tax year in which the disposal occurred	31 January 2029
Business assets disposal relief and investors' relief	12 months from 31 January following the end of the tax year in which the disposal occurred	31 January 2025
Determination of private residence	2 years from the acquisition of the second property	

Self-assessment – individuals

Election/claim	Time limit	For 2022/23
Pay days for income tax and class 4 NIC	1st instalment: 31 January in the tax year 2nd instalment: 31 July following the end of tax year Balancing payment: 31 January following the end of tax year	31 January 2023 31 July 2023 31 January 2024

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Pay day for CGT (not UK residential property) and class 2 NIC	31 January following the end of tax year	31 January 2024
Pay day for CGT on UK residential property disposals	Within 60 days of the disposal	

Self-assessment – individuals

Election/claim	Time limit	For 2022/23
Filing dates If notice to file issued by 31 October following end of tax year	Paper return: 31 October following end of tax year Electronic return: 31 January following end of tax year	31 October 2023 31 January 2024
If notice to file issued after 31 October following end of tax year	3 months from the date of issue of the notice to file	
Retention of records Business records	5 years from 31 January following end of the tax year	31 January 2029
Personal records	12 months from 31 January following end of the tax year	31 January 2025
HMRC right of repair	9 months from date the return was filed	
Taxpayers right to amend a return	12 months from 31 January following end of the tax year	31 January 2025
Error or mistake claim	4 years from the end of the tax year	5 April 2027
HMRC can open an enquiry	12 months from submission of the return	

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HMRC can raise a discovery assessment		
– No careless or deliberate behaviour	4 years from the end of the tax year	5 April 2027
– Tax lost due to careless behaviour	6 years from the end of the tax year	5 April 2029
– Tax lost due to deliberate behaviour	20 years from the end of the tax year	5 April 2043
Taxpayers right of appeal against an assessment	30 days from the assessment – appeal in writing	

Inheritance tax

Election/claim	Time limit	For 2022/23
Lifetime IHT on CLTs – pay day	Gift before 1 October in tax year: Following 30 April Gift on/after 1 October in tax year: 6 months after the end of the month of the gift	30 April 2023
Death IHT: on lifetime gifts within seven years of death (CLTs and PETs) and on the estate value	6 months after the end of the month of death	
Deed of variation	2 years from the date of death – in writing	
Transfer of unused nil rate band to spouse or civil partner	2 years from the date of the second death	

Corporation tax

Election/claim	Time limit
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Replacement of business asset relief for companies (Rollover relief)	4 years from the end of the accounting period: <ul style="list-style-type: none"> – in which the disposal occurred or – the replacement asset was acquired whichever is later
Set-off of brought forward losses against total profits (income and gains)	2 years from the end of the accounting period in which the loss is relieved
Current year set-off of trading losses against total profits (income and gains), and 12 month carry back of trading losses against total profits (income and gains)	2 years from the end of the accounting period in which the loss arose
Surrender of current period and brought forward losses to other group companies (group relief and consortium relief)	2 years after the claimant company's accounting period
Election for transfer of capital gain or loss to another company within the gains group	2 years from the end of the accounting period in which the disposal occurred by the company actually making the disposal

Self-assessment – companies

Election/claim	Time limit
Pay day for small and medium companies	9 months and one day after the end of the accounting period
Pay day for large companies	Instalments due on 14th day of: <ul style="list-style-type: none"> – Seventh, Tenth, Thirteenth, and Sixteenth month after the start of the accounting period
Filing dates	Later of: <ul style="list-style-type: none"> – 12 months from the end of the accounting period – 3 months from the issue of a notice to deliver a corporation tax return

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Companies error or mistake claim	4 years from the end of the accounting period
HMRC can open an enquiry	12 months from the actual submission of the return
Retention of records	6 years from the end of the accounting period

Value added tax

Election/claim	Time limit
Compulsory registration Historic test: <ul style="list-style-type: none"> – Notify HMRC – Charge VAT Future test: <ul style="list-style-type: none"> – Notify HMRC – Charge VAT 	30 days from end of the month in which the threshold was exceeded Beginning of the month, one month after the month in which the threshold was exceeded 30 days from the date it is anticipated that the threshold will be exceeded the date it is anticipated that the threshold will be exceeded (i.e. the beginning of the 30 day period)
Compulsory deregistration	30 days from cessation
Filing of VAT return and payment of VAT	End of month following the return period

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END OF EXAM PAPER

PAST EXAMINATION