

## Written Ministerial Statement

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### Tax policy documents

**Exchequer Secretary to the Treasury (David Gauke):** The Government is today publishing nine documents relating to tax, following commitments made at Budget. The Government set out its new approach to tax policy making at Budget, designed to support its ambition for a more predictable, stable and simple tax system .

([http://www.hm-treasury.gov.uk/junebudget\\_tax\\_policy\\_making.htm](http://www.hm-treasury.gov.uk/junebudget_tax_policy_making.htm)).

The publication of these documents together is consistent with the principles set out in that document; it provides businesses, tax professionals and other interested parties with comprehensive information of the Government's proposed reforms to these elements of the tax system.

Further detail on these documents is provided below. Copies of these documents are available on the Tax policy discussion page of the HM Treasury Website and the Current Consultations page of the HMRC website and have been deposited in the libraries of both Houses.

#### **PAYE reform**

The Government today is publishing a consultation on improving the operation of Pay As You Earn (PAYE), which seeks views on the collection of real time information to simplify taxation and reduce burdens on business. It also invites views on an option for longer-term reform to improve accuracy and further reduce administrative burdens, or alternative proposals to the same end. The Government seeks interested parties' views on these proposals. This document is available on the HMRC website.

#### **Furnished holiday lettings**

The Government today is publishing a consultation document on a proposal to ensure the tax rules for furnished holiday lettings meet EU legal requirements in a fiscally responsible way, by changing the eligibility thresholds and restricting the use of loss relief. The Government seeks interested parties' views on the proposal set out in the document. This document is available on the HM Treasury website.

## **Pensions tax relief**

The Government announced in the June Budget that it is considering the issue of pensions tax relief. The Government today is publishing a discussion paper setting out the range of policy issues that would need to be decided in any new regime. The Government seeks interested parties' views on these issues. This document is available on the HM Treasury website.

## **Associated company rules**

The Government today is publishing a summary of responses to the recent consultation on simplifying the associated company rules as they apply to the small profits rate of corporation tax. As announced in the June Budget, the Government will introduce the proposed legislation in Finance Bill 2011 and it will take effect from 1 April 2011. This document is available on the HM Treasury website.

## **Taxation of foreign branches**

The Government today is publishing a discussion document on the scope of an exemption for foreign branch profits, aimed at delivering a more territorial approach to corporation tax to enhance the UK's competitiveness. The Government seeks interested parties' views on the likely impacts of the proposals set out in the document and on implementation of these proposals. This document is available on the HM Treasury website.

## **Controlled Foreign Companies interim improvements**

The Government today is publishing a short note setting out the aim and scope of CFC interim improvements together with the framework for consultation over the summer. The Government seeks interested parties' views on the nature of these improvements, including possible options to achieve the aims set out here and potential other worthwhile improvements that should be considered. This document is available on the HM Treasury website.

## **Modernisation of Investment Trust Company rules**

The Government today is publishing a consultation document which sets out the Government's proposals for modernising tax rules for Investment Trust Companies, together with consequential amendments to the Companies Act by the Department for Business Innovation and Skills. The Government seeks interested parties' views on the proposals for change. This document is available on the HMRC website.

## **Inheritance tax avoidance schemes**

The Government today is publishing a consultation on legislation designed to bring inheritance tax, as it applies to the transfer of property into trust, into the disclosure regime with the objective of addressing the problem of identifying such schemes and users at an early stage. The Government seeks interested parties' views on the detail of implementation. This document is available on the HMRC website.

## **National Minimum Wage: travel and subsistence schemes**

The Government today is publishing a summary of responses to the recent consultation on travel and subsistence schemes implemented for some temporary workers paid at or near the National Minimum Wage (NMW). The Government has carefully considered the responses and has concluded that, on balance, action should be taken. It will amend the NMW Regulations to take effect from 1 January 2011. This document is available on the HM Treasury website.

**HM Treasury**  
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