

**Private Client Law Bulletin****“ENEMY AT THE GATE”**

Over the last 18 months, we have all learned a new vocabulary including “sub prime lending” and “quantitative easing”. We now appear to be in a period of fragile recovery, but recent events in Dubai indicate that there is more trouble on the way, possibly even sovereign debt defaults.

So how does the UK government try and manage its way out of this crisis? Politically, announcing tax rises shortly before a General Election could be inflammatory to the electorate, but most would see this as almost inevitable. In our view however the screw has already been turned evidenced by the behaviour of the Inland Revenue in negotiating tax submissions. As recently as 6 months ago one would usually engage with the Revenue in a constructive dialogue if they required clarification of any claims for exemptions or reliefs. We now appear to be in a “shoot first, ask questions later” environment.

We have had an increasing number of cases where the Revenue have just rejected claims, even where they have been properly completed and fully documented without raising any enquiry. The suspicion is that they are pursuing this strategy, as a number of tax payers will simply accept the position without argument.

It therefore pays to ensure all claims are properly researched and documented before submission, and do not be daunted by the Revenue’s stance. Also make sure your client is aware well in advance, so they can make a considered response to the Revenue’s attack rather than feel intimidated by an initial rejection.

If you require any specific advice in connection with the material contained in this bulletin, or on any other Private Client issues, please contact: Duncan Bailey in Liverpool on 0151 600 3451, Richard Bate in Manchester on 0161 836 8840 or Stephen Marriott in Preston on 01772 229 816.

If you no longer wish to receive the bulletin please let us know by return e-mail to helen.calvert@brabnerscs.com

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