

UK Property Reporting Service: update

Management of taxes

Personal tax

21 November 2022

The latest updates on the UK Property Reporting Service.

In October, ATT, CIOT and LITRG met with HMRC as part of our ongoing engagement on the UK Property Reporting Service. This service is the standalone, online portal for taxpayers and their agents to report certain disposals of UK land and property within 60 days of completion.

One of the big issues earlier this year was how to correct the position where a property return was not submitted, with reports that many taxpayers were still unaware of the rule changes. In September's edition (tinyurl.com/2p88cf2a), we set out HMRC's position that anyone in self-assessment who has reported and paid the required CGT via self-assessment but who has failed to file a property return should retrospectively file a paper return to satisfy that obligation. (Those outside self-assessment who have yet to file a property return can do so via the online service before considering if they need to be within self-assessment for that year.)

HMRC have now confirmed that the usual penalties will apply to such late returns. This is despite the fact that it was not possible to file a late property return after having already reported the disposal via self-assessment and prior to HMRC allowing such taxpayers to file on paper. However, taxpayers can appeal the penalties if they have a reasonable excuse. Work is ongoing within HMRC to identify taxpayers who should have filed a property return but did not. HMRC noted that individuals who have missed a property return in that period 'should not be complacent'.

Regarding paper returns, HMRC confirmed there is a backlog in processing these. As at mid-October, they were working through returns from May. We are hoping to receive a formal response shortly to our request that paper returns should be made more accessible, and that agents and taxpayers should be allowed to download these from [GOV.UK](https://gov.uk). While we are hopeful of progress, HMRC are concerned that this might drive agents away from the online service. We hope that, given the processing delays with paper returns – and that it is easier to both amend returns and track payments using the online service – whenever clients can complete the digital handshake, agents will continue to use the online service rather than resorting to paper.

HMRC are continuing to update the manual pages within appendix 18 of their CGT manual. The latest updates add more detail on obtaining repayments, payment by instalment in case of disposal by way of gift, and include a clarification of how the various payment references work. Now that the manual is in place, we have asked HMRC to look at improving and expanding the guidance for the public on [GOV.UK](https://gov.uk). In the meantime, ATT will keep updating their guide (www.att.org.uk/UKCGT) as and when we learn new things about the service.

October's meeting was the last of our regular meetings and from now on, meetings will be on an ad hoc basis as further issues arise. Please do keep sending queries to us at the emails below, or raising them directly with HMRC on the Agent Forum.

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