

AW FOR APS IHTE – FA21 CHANGES GUIDE

PERSONAL INCOME TAX

Note that all chapters have been updated for 2021/22 thresholds, rates and allowances.

FA21 Ch	FA20 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Relief for married couples			✓	
2	2	Deductible payments			✓	
3	3	Tax relief on donations to charity			✓	
4	4	Scottish taxpayers			✓	
5	5	Introduction to property income			✓	
6	6	Property income: further aspects			✓	
7	7	Introduction to employment income & benefits			✓	
8	8	Company car & fuel benefits		✓		Changes to structure of car benefit percentages.

9	9	Living accommodation: taxable benefits			✓	
10	10	Loans to employees & use of assets			✓	
11	11	Miscellaneous benefits			✓	
12	12	Expenses of employment			✓	
13	13	Introduction to PAYE			✓	
14	14	Operation of the PAYE System			✓	
15	<i>n/a</i>	PAYE – Penalties and Interest			✓	New chapter, content moved from previous chapter
16	15	Class 1 National Insurance Contributions		✓		0% rate for secondary NICs where employee is an armed forces veteran.
17	16	Class 1A & 1B National Insurance			✓	
18	17	Termination payments			✓	
19	18	Employed or self employed?			✓	

20	19	Pension schemes			✓	
21	20	Miscellaneous provisions			✓	
22	21	The Enterprise Investment Scheme			✓	
23	22	Residence – The Statutory Residence Rules			✓	
24	23	Domicile			✓	
25	24	Deemed domicile			✓	
26	25	Taxation of foreign income - general principles			✓	
27	26	The remittance basis			✓	
28	27	The remittance basis charge			✓	
29	28	Overseas aspects of employment income			✓	
30	29	Double Tax Relief			✓	

CAPITAL GAINS TAX

FA21 Ch	FA20 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Options			✓	
2	2	EIS and SEIS reinvestment relief			✓	
3	3	Gains and Losses on EIS and SEIS shares			✓	
4	4	Purchase of Own Shares		✓		Expanded details of condition for capital treatment when discharging inheritance tax liability.
5	5	Transfer of Assets Abroad			✓	
6	6	Transactions in UK Land			✓	
7	7	Annual Tax on Enveloped Dwellings			✓	

BUSINESS INCOME TAX

FA21 Ch	FA20 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Trading Income and the Badges of Trade			✓	
2	2	Adjustment of Profit - General Principles			✓	
3	3	Common Adjustments			✓	
4	4	Current Year Basis and Opening Year Rules			✓	
5	5	Overlap Relief and Closing Year Rules			✓	
6	6	Change of Accounting Date			✓	
7	7	Losses - Continuous Trades		✓		New section on temporary three year carry back.
8	8	Losses - Opening and Closing Year Rules			✓	
9	9	Classes 2 and 4 National Insurance			✓	

10	10	Introduction to Partnerships			✓	
11	11	Partnership Changes			✓	
12	12	Partnership Admissions and Retirements			✓	
13	13	Partnership Losses			✓	
14	14	Limited Liability Partnerships			✓	
15	15	Partnership Capital Gains - basic principles			✓	
16	16	Partnership Capital Gains - further aspects			✓	
17	17	Partnership Capital Gains - asset revaluations			✓	

CORPORATION TAX

FA21 Ch	FA20 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	Introduction to Corporation Tax		✓		Changes to reflect enhanced FYA.
2	2	Computation of Corporation Tax			✓	
3	3	Long Periods of Account			✓	
4	4	Corporation Tax Self-Assessment (CTSA)			✓	
5	5	Payment of Corporation Tax		✓		Removed references to pre 1 April 2019.
6	6	Property Income			✓	
7	9	Corporate Capital Gains			✓	
8	7	Relief for Trading Losses	✓			Temporary extended carry back loss relief for accounting periods ending between 1.4.20 and 31.3.22. Removal of pre-1 April 2017 losses throughout losses chapters reflecting syllabus changes. Chapter rewrite.
9	8	Relief for Other Losses		✓		Removal of pre-1 April 2017 losses throughout losses chapters reflecting syllabus changes.
10	10	Change in Ownership of a Company			✓	
11	11	Close Company Definition			✓	
12	12	Close Company Implications			✓	

13	<i>n/a</i>	Informal Winding Up	✓			TAAR to prevent phoenixism added to syllabus from 2022 onwards.
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VAT & STAMP TAXES

FA21 Ch	FA20 Ch	Topic	Major changes	Minor changes	No changes	Notes
1	1	VAT General Principles		✓		An introductory paragraph explains the impact on VAT as a result of the UK leaving the EU (and its transition phase) and how EU law impacts on Great Britain and Northern Ireland from 1 January 2021
2	2	Registration			✓	
3	3	Stamp duty on shares		✓		A 'block' transfer stock form can be sent for multiple chargeable transfers (eg on a takeover), with a schedule detailing the duty on each transfer. This aims to ease the administrative burden on taxpayers.
4	4	Stamp duty land tax	✓			<p>The 2% surcharge for purchases of residential property by non-UK residents is imposed from 1.4.21. Details have been included on what makes a person or company non-UK resident and exceptions to the surcharge.</p> <p>The Fish Homes Ltd FTT case of 2020 held that a property with flammable cladding was still habitable as a dwelling and liable to the additional 3% residential rates.</p> <p>In the 2020 case of Moaref, the 3% additional rate applied to the purchase of two apartments which the purchaser intended to combine into one property after their purchase, to live in as their main residence. Neither property was intended on its own to replace their main residence, so no refund of the 3% rate was due.</p>

		cont....				<p>Three FTT cases were joined for an appeal to the Upper Tribunal in 2021 as to what amounts to residential property, when properties are surrounded by land. (Hyman, Pensfold and Goodfellow). Appeals by the taxpayers were dismissed and the residential rates applied to the entire purchase as the land formed part of the garden or grounds. It was not a requirement of the legislation that it needed to be for the reasonable enjoyment of the house having regard to its size or character.</p> <p>HMRC is of the view that LLPs cannot take advantage of the housebuilders' relief on 'exchanges' unless all the members of the LLP are companies.</p> <p>Where anti-avoidance legislation means that a notional transaction is treated as occurring, then if contingent consideration is never paid by the purchaser a reclaim can be made for the SDLT on that part. [Project Blue 2020]</p> <p>The Doe and Partridge cases in 2021 re-affirm that an annexe can only be a separate dwelling for MDR where the annexe and the main house can both be used as separate dwellings.</p> <p>The 15% rate on high value residential properties will be due on a property rental business where a non-qualifying individual has the right to occupy the dwelling.</p>
5	5	Stamp duty land tax – administration			✓	