

# Business Alert: March 2008

Welcome to Scott-Moncrieff's Business Alert Service, designed to help you keep up-to-date with business and tax legislation. The service provides details of key changes, issues and opportunities, and includes suggested action and links to more information. If you need additional information or have any concerns regarding any of the areas below please contact a member of your client service team at Scott-Moncrieff who will be happy to discuss the implications for your business.

## RESIDENCE AND DOMICILE

Non domiciled UK resident taxpayers continue to express concern regarding the proposed changes to the tax treatment of their overseas income. However HMRC has issued a letter to advisers explaining some of the more detailed aspects of the new rules. The letter includes an assurance that those paying the £30,000 per annum tariff to retain the benefit of the remittance basis will not be taxed on the £30,000 they bring to the UK to pay the charge, and that taxpayers' overseas affairs, and in particular their assets will not be subject to UK tax scrutiny if the remittance basis of assessment is retained. This does not seem to have fully satisfied concerned parties, but has allayed some fears. It is understood that negotiations will be undertaken to ensure that the £30,000 charge attracts double tax relief wherever possible.

## EMPLOYER CD-ROM FOR 2008

HMRC has continued to develop the range of tools available on the Employer CD ROM, which is distributed free to all employers at this time of the year. The disc will be updated in April 2008 to reflect Budget announcements. The disc included a working payroll last year, which allowed small employers with no more than 9 staff to prepare their payroll using the free software on the disc. This year the package is enhanced, so that the year end returns can be prepared and submitted online using the new disc. This allows very small employers full payroll functionality from the disc. There are a wide range of other useful tools, including very good learning packages for those new to payroll.

## STUDENT LOAN REPAYMENTS – PAYROLL

At present, notifications of the requirement to start or stop collecting student loan repayments from employees are sent to employers with a six week notice period. So notifications are actioned on the first pay day 42 days after the notice was received. From 6 April 2008 the 42 day period is abolished, and employers will have to action student loan start and stop notices (SL1 and SL2) on the next available pay day after receipt.

We believe the information in this Business Alert to be correct at the time it was sent, but cannot accept any responsibility for any loss occasioned to any person as a result of action or refraining from action as a result of any item herein.

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