



## The Plumbers Tax Safe Plan (PTSP)

PTSP was announced by HMRC on 1<sup>st</sup> March 2011. The disclosure process is intended to cover persons who work, or have worked, in the plumbing, heating or gas installation business and who have unpaid tax liabilities arising from that trade.

The key dates of the PTSP are:-

- Notification submissions deadline – 31<sup>st</sup> May 2011
- Disclosure submissions deadline – 31<sup>st</sup> August 2011

The number of years which HMRC will seek to tax is based on the behaviour of the taxpayer. The years to be assessed are categorised as follows:-

- Genuine Mistake – 4 years – (2007/08 to 2010/11)
- Careless – 6 years (2005/06 to 2010/11)
- Deliberate – up to 20 years

The category under which you will fall will need to be discussed with your advisor.

Penalties (based on a percentage of the tax underpaid) are quantified as follows:-

- Genuine Mistake – No Penalty
- Careless – 10%
- Deliberate – 20%

Please see link to an explanation of the current HMRC penalty regime

<http://www.lsg.co.uk/documents/hmrc.pdf>

The applicable level of penalty will need to be discussed with your advisor as the PTSP requires participants to 'self assess' the level of penalty they believe to be appropriate. Care should be taken to ensure that the correct penalty banding is applied because incorrect bandings could result in a rejection of the disclosure.

There is no immunity from prosecution offered by the PTSP, however in practice HMRC would not normally conduct criminal investigations where a full, complete and voluntary disclosure had been made.

Frank Strachan, Head of LSG's tax dispute resolution team states, "HMRC have obtained a significant level of information relating to individuals who operate, or operated, in this industry sector. The PTSP provides an excellent opportunity for those with undisclosed trade income to regularise their tax position before HMRC act on the information they hold. Again, however it is disappointing to note that HMRC have not allowed much in the way of 'thinking time' for people to consider their options and take advice— my advice is to act fast before the door of registration is shut."

**LSG (as a firm of solicitors) enjoys the protection of legal professional privilege. Firms of tax advisors and accountants do not.**

### How or where do I start?

You can contact either Frank Strachan or Sean Bannister for an initial confidential discussion. We would then like to meet with you for a zero fee meeting to explore the suitability of the PTSP for you. Each case is different and exceptions to the PTSP apply. Our aim is to provide a clear explanation of the PTSP and how it operates, consider its suitability to your position, and provide comfort to you that you are in safe hands.

---

Please telephone or email either Frank or Sean any time to discuss any concerns you have.

Frank Strachan – [fs@lsg.co.uk](mailto:fs@lsg.co.uk) – 020 7851 0120 – 07557 343234

Sean Bannister – [sb@lsg.co.uk](mailto:sb@lsg.co.uk) – 020 7851 0127 - 07872 311318