



NEWS ITEM

DATE: JAN 2010

HEALTH PROFESSIONALS URGED TO COME CLEAN

Local accountancy firm DJH Accountants Ltd is urging doctors and dentists across the region to consult with their accountants to ensure that all relevant income from previous tax years has been accounted for or they could face investigation, financial penalties and even criminal prosecution by HM Revenue and Customs (HMRC) following the launch of a new tax amnesty called the Tax Health Plan aimed at health professionals.

Coming hot on the heels of HMRC's efforts to uncover taxable income that had been hidden by UK taxpayers in offshore bank accounts, the Tax Health Plan was launched by HMRC earlier in the month and is designed to encourage medical professionals to tell them if they have understated their income or have secret savings. Those doctors, consultants, and dentists who contact HMRC by 31st March 2010 to make a voluntary disclosure regarding any understated revenues or past tax irregularities will be able to put their tax affairs in order as they then have until the 30th June to make their disclosure and arrange payment of any penalties due. A fixed rate penalty of 10% is likely to apply. Understated income could include payments for private work or cash payments for medical reports.

After this date, HMRC, using information it holds will carry out targeted investigations aimed at those who have not come forward. Those found not to have declared in the amnesty could face substantial penalties or even criminal prosecution.

In its most recent offshore disclosure campaign HMRC uncovered 10,000 people who said they wanted to pay tax on income hidden abroad and the hope by HMRC is that the Tax Health Plan will have the same effect.



Chris Beardmore Director of DJH Accountants Ltd comments: “Tax is set to stay in the headlines this year, with this new scheme and HMRC indicating that this is the first in a series of investigation amnesty initiatives aimed at professionals.

The HMRC now has the technology to cross-check returns from different companies, banks and the NHS, making it easier to spot cases of evasion.

Anyone who does not come forward, but who is subsequently investigated and found to have been avoiding tax, may be fined up to 100% of their unpaid tax, with a minimum penalty of at least 30%.

In the next week or so, many UK taxpayers will be racing to file their self-assessment returns, and pay the tax due, by the due date of 31 January so I urge those professionals to ensure they gain advice before falling foul of these new rules. Furthermore, with many doctors and dentists coming under the new 50 per cent tax rate for high earners being introduced in April, as well as the strong possibility of further tax increases after the general election, between now and April, there is a window of opportunity to get a step ahead, so professionals can anticipate and, with the right planning, even mitigate future tax rises.”

ENDS

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