

Workbook – FA2022 For exams to March 2024

10/2022

Chapter 1 Chapter summary p8

It should say:

Taxes in the UK - VAT = **neither** revenue **nor** capital tax = suffered by end consumer

Chapter 11 Illustration 2 p214

The overlap profits at the bottom of the illustration should say:

$1.1.23 - 5.4.23 = 3/12 \times £22,500 = £5,625$

Chapter 11 Activity 3 p222

New partner (B) Trading assessments for year ended 31.5.22 should say:

2020/21 Actual basis 1.12.20 - **5.4.21**

5

51% subsidiary, 437

7

75% group (Group relief group), 417

75% subsidiary, 417

A

Accommodation, 61

Accounting period, 369

Accruals basis, 113

Accrued income scheme, 36

Acts of Parliament, 4

Additional-rate band, 23

Adjusted net income, 21

Administration of VAT, 464

Allowable deductions, 51

Amendments, 318

Annual accounting scheme, 484

Annual allowance, 97

Annual allowance charge, 100

Annual exempt amount, 241

Annual exemption (AE), 342

Appeals, 3, 321

Augmented profits, 437

B

Badges of trade, 129

Basic-rate band, 23

Basis period, 171

Bonus issues, 300

Business asset disposal relief, 277

C

Calculation of CT, 378

Canteen, 71

Capital loss relief, 245

Capital losses, 245, 409

Capital tax, 4

Car fuel, 68

Carry back loss relief, 404

Carry forward group relief, 423

Cars, 65

Case law, 5

Cash accounting scheme, 484

Cash basis, 113

CGT planning, 245

Chargeable accounting period, 369

Chargeable assets, 239

Chargeable disposals, 239

Chargeable gain, 239

Chargeable gains group, 425

Chargeable lifetime transfer (CLT), 344

Chargeable persons, 239

Charitable donations, 53

Chattels, 263

Child benefit income tax charge, 34

Choice of business medium, 379

Choice of loss relief, 406

Claimant company, 418

Claims, 436

Class 1 Employee contributions, 227

Class 1 Employer contributions, 228

Class 1A contributions, 229

Class 2 NIC, 230

Class 4 NIC, 230

Company, 369

Company cars, 65

Compensation, 249

Compliance checks, 320, 436

Copyrights, 265

Corporation tax (CT), 369

Corresponding accounting periods, 420

Credit card, 70

Crown Prosecution Service (CPS), 3

Current period group relief, 418

Current period loss relief, 404

D

Damage to an asset, 249

Death estate, 351

Death tax on lifetime transfers, 348

Deemed occupation, 266

Default interest, 483

Default surcharge, 481

Depreciating asset, 286

Destruction or loss of an asset, 251

Diminution in value, 340
Direct tax, 3
Dividend income, 20
Dividend nil rate band, 26
Double taxation agreements, 7

E

Earnings, 50, 229
Earnings periods, 229
Electronic filing, 465
Employment, 49
Employment allowance, 228
Exchange of information, 7
Exempt benefits, 71
Exempt disposals, 239
Exempt income, 20
Exempt supply, 458
Extra statutory concessions, 5

F

FA 1985 share pool, 391
Failure to notify chargeability, 442
Filing, 315
Filing date, 435
Finance Act, 5
Finance costs tax reducer, 115
Financial year, 5, 378
First Tier tribunal, 4
Fiscal year, 18
Flat rate scheme, 485
Furnished Holiday Lettings (FHLs),
117
Future test, 459

G

Gains and losses for individuals, 240
General allowances, 70
General Anti-Abuse Rule (GAAR), 6
Gift aid, 31
Gift holdover relief, 281

Gilts, 36, 306
Group relief, 417
Group relief claims, 421
Group rollover relief, 427
Group VAT registration, 462

H

Higher-rate band, 23
Historical test, 459

I

Impairment losses, 468
Income tax liability, 22
Income tax payable, 22
Indexation allowance, 389
Indirect tax, 3, 4
Individual savings accounts (ISAs), 20
Input tax, 457
Interest, 441
Interest on late paid tax, 319
Interest on overpaid tax, 320
Intra-group transfers, 425
Investors' relief, 279

J

Jointly held property, 34

L

Large company, 437
Late filing penalties, 442
Lease premiums, 119
Letting relief, 268
Lifetime allowance, 102
Lifetime tax, 345
Living expenses, 62
Loan relationship, 373
Loans, 69
Long period of account (LPoA), 376

M

Making tax digital (MTD), 465
Marriage allowance, 29
Married couples and couples in a civil
partnership, 34

Matching rules for individuals, 297

Material error or omission, 6

Medical insurance, 70

Mid-price, 297

N

Net income, 19

Non-deductible input tax, 469

Non-savings income, 19

Non-trading loan relationships (NTLR), 373

Non-wasting chattels, 263

Notification of chargeability, 435

Notification of liability, 315

O

Occupational pension scheme, 93, 96

Output tax, 457

Overlap profits, 172

P

P45, 72

Part disposals, 246

Pay As You Earn (PAYE), 71

PAYE penalties, 74

Payment dates, 318

Payment of corporation tax, 437

Payments on account, 318

Payroll deduction scheme, 53

Penalties, 442

Penalties for errors, 317, 483

Penalties for failure to notify, 315

Penalties for late filing, 316

Penalties for late paid tax, 320

Period of account, 369

Personal allowance, 20

Personal pension scheme, 93, 94

Personal tax computation, 18

Pool cars, 65

Potentially exempt transfer (PET), 344

Pre-registration expenses: recovery of input tax, 463

Private residence relief (PRR), 266

Private use of employer's assets, 63

Progressive tax, 3

Prompted disclosure, 317

Property business income, 113, 374

Property business losses, 116, 409

Q

Qualifying charitable donations, 375

Qualifying corporate bonds (QCBs), 306

Quarterly instalment regime, 437

Quoted shares, 297

R

Rates of CGT, 241

Real time information, 72

Records, 318, 436

Reduced annual allowance, 99

Reduced rate, 458

Refunds of VAT, 466

Reimbursed expenses, 70

Related 51% group company, 437

Rent-a-room relief, 118

Reorganisations, 303

Replacement of business assets, 284

Replacement of domestic items relief, 115

Residence, 16

Residence nil rate band (RNRB), 352

Revenue law, 4

Revenue tax, 4

Rights issues, 301

Rollover relief, 284, 394

S

Savings income, 20

Savings income nil rate band, 24

Savings income starting rate, 24

Scholarships, 71

Self-assessment, 317

Self-employment, 49

Share matching rules for companies, 391

Share pool, 298

Short accounting period, 440

Short life assets, 157

Site-based employees, 52

Special schemes, 484
Standard-rated, 458
Statements of practice, 5
Statutory approved mileage allowances, 52
Statutory Instruments, 4
Statutory residence tests, 16
Substantial traders for VAT, 465
Surrendering company, 418

T

takeovers, 303, 304
tax avoidance, 5
tax codes, 73
tax evasion, 5
Tax planning, 5
tax point, 467
tax reducer, 29
tax tribunal, 4, 321, 464
Tax year, 5, 18
taxable benefits, 61
Taxable income, 19
taxable supply, 457
taxable total profits (TTP), 371
taxation in a modern economy, 3
temporary workplace, 52
terminal loss relief, 408
Total income, 19
transfer of going concern, 464
transferable personal allowance, 29
transfers between spouses/civil partners, 248 transfers of value, 340
travel expenses, 51

U

Unprompted disclosure, 317
Upper tribunal, 4

V

valuation of supplies, 458
value added tax (VAT), 457
vans, 69

