

HMRC extends its tax cheats campaigns

A new campaign will be launched by HM Revenue and Customs (HMRC) during the next year aimed at people who fail to make tax returns and who are liable to pay tax at the highest tax rates.

In two further campaigns, to be launched later in the year, the department will target tradespeople working in the home improvement market, and people who receive income from buying and selling goods direct to others, or are paid commission.

HMRC will use new technology to search the internet for information about specified, targeted people and businesses.

The new campaigns will focus on:

- Missing returns. This will contribute to wider HMRC activity tackling failure to complete tax returns. It will initially focus on those who fail to complete tax returns and who are liable to pay tax at the highest rates.
- Home improvement trades. This will build on campaigns aimed at plumbers and electricians, and will include several 100,000 tradespeople in construction and building work such as roofing, window fitting, bricklaying, carpentry and joinery.
- Direct selling. This will target customers who ought to be paying tax on income they earn from buying and selling goods direct to others, or from the commission on these sales.

As with previous campaigns, the focus of the new campaigns will be on providing those in the selected groups, who may not be paying the tax they owe, a chance to put their affairs in order on the best possible terms.

Marian Wilson, of HMRC's Risk and Intelligence, said:

“Most people pay their taxes in full and on time, so it is right that HMRC works hard to secure payment from those who have not come forward.

“Using new technology, we have been able to analyse returns to HMRC covering a range of taxes and to cross-reference these with other information to build a picture of where we believe we have taxpayers with missing returns.

“We will use the same technology to analyse information gathered to support the following two campaigns and for each campaign, after the opportunity has closed, we will use the information we have to pursue those who choose not to use the chances we provide to put their affairs in order.

“We are offering all the people targeted the opportunity to come forward. Penalties will be higher if we come and find people after the opportunity. A criminal investigation may also result. I therefore urge them to disclose unpaid tax voluntarily.”

Two campaigns that will be launched before the end of 2011/12 will focus on:

- E-marketplaces. This will cover those who are using e-marketplaces to buy and sell goods as a trade or business and who fail to pay the tax owed. People who only sell a few items and who are not traders are unlikely to be liable to tax and will not be targeted by this campaign.
- Electricians. This will build on HMRC's plumbers' campaign and give an opportunity to another group of tradespeople to come forward and declare unpaid tax.

More than £500m has been raised by HMRC from voluntary disclosures and a further £105m from follow-up activity. Previous campaigns have targeted offshore investments, medical professionals, plumbers, VAT defaulters and private tutors.

Information on campaigns for 2012, including how people can work with HMRC to influence their development, can be found at <http://www.hmrc.gov.uk/ris/hmrc-campaigns.htm>