

The Office of Tax Simplification

The role and work of the Office of Tax Simplification

Commonwealth Association of Tax Administrations

9 November 2021

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www.gov.uk/government/organisations/office-of-tax-simplification

Introduction to the Office of Tax Simplification

Introducing the OTS

Who we are

- independent adviser to Government on tax simplification – since 2010
- arm's length Office of HM Treasury – became statutory through FA 2016
- mix of HMT/HMRC and private sector expertise (up to 10 FTEs)
- Independent Board: Kathryn Cearnas OBE (Chair), Bill Dodwell (Tax Director)
- latest Annual Report published 20 July 2021

What we do and how we do it

- 'challenge tax complexity to help all users of the tax system'
- work collaboratively with HMT, HMRC and KAI (HMRC's economics and statistics group)
- proactively engage with private sector tax people, businesses and individuals

Five year review announced 23 March 2021, reporting shortly

OTS role and influence

We advise - we do not implement

- some of our work is formally commissioned by the Chancellor, or ministers
- some of our work is self-generated
- all of it is published
- We regularly speak at events and webinars about OTS work

What happens next?

Formal, public, response to Chancellor commissioned reviews

OTS recommendations can lead to policy change, or change in administration

OTS reports frequently inform aspects of policy development by HMRC, HM Treasury

OTS can act as a trusted sounding board at the 'policy ideas' and consultation stage

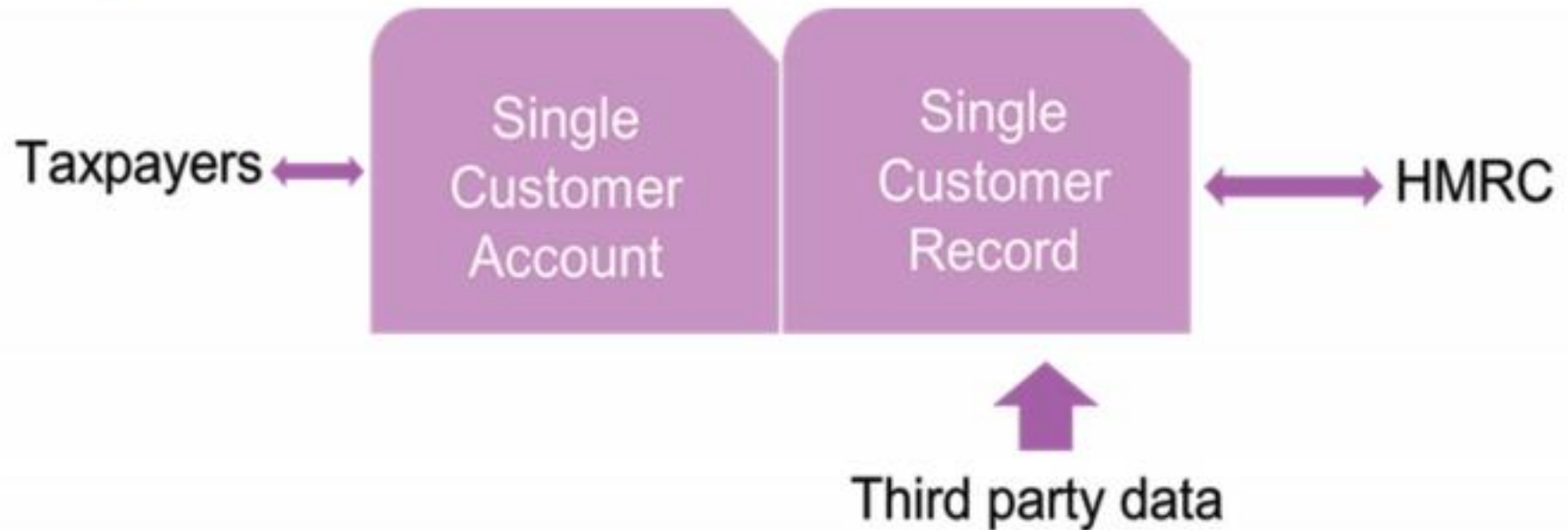
OTS reports may open up public debate on aspects of tax policy

Recent OTS reports

- 2016** Income tax/National insurance alignment (March and November)
- 2017** VAT (October)
- 2018** Depreciation and Capital Allowances (June)
HMRC's Guidance (October)
Inheritance Tax #1 (November)
- 2019** Simplifying everyday tax for smaller businesses (May)
Inheritance Tax #2 (July)
Taxation and Life Events (October)
Reporting and Paying Tax for self-employed people and landlords (October)
- 2020** Claims and elections (October)
Capital gains tax First report (November)
- 2021** Capital Gains Tax Second report (May)
Making better use of third party data (July)
The Tax Year End (September)

The influence of technology

The forthcoming Single Customer account



- Add tax calculation functionality, month by month
- Add easy voluntary payment functionality
- Allow download of data to taxpayer's software
- Allow uploads of data from third parties and taxpayer
- Add ability to make tax claims and elections and store relevant documents
- Add secure messaging

Making better use of Third Party Data: a vision

Extend the use of third party data, by adding to the Single Customer Account

Unique identifier

Roadmap and specification for data providers

Consult on balance of responsibilities

Safeguards – error correction, present data to taxpayers for validation

Start with:

Bank and Building Society interest and other interest

Listed company/OEIC dividends and other income

Pension contributions

Excess reportable income

Voluntary

Gift Aid, capital gains on listed securities

Q&A

The Office of Tax Simplification

**The role and work of the Office of Tax Simplification
from the independent adviser to Government on Tax Simplification**

29 September 2021

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