

TAX HEALTH PLAN (THP)

On 11th January 2010 HMRC announced the introduction of The Tax Health Plan (THP). The plan creates the opportunity for medical professionals with undisclosed tax liabilities to come forward and settle their tax affairs and in doing so they will benefit from a fixed 10% penalty. THP relates to undisclosed tax liabilities for tax years 1988/89 to 2007/08.

HMRC is using its legal powers to obtain information from various sources including NHS Trusts, private hospitals and medical insurers regarding amounts paid to medical professionals.

How does the THP work?

Medical professionals who need to take advantage of the THP must:-

- by 31st March 2010 notify HMRC of their intention to disclose; and
- by 30th June 2010 make a full disclosure of all undeclared liabilities and make full payment of all outstanding taxes and duties, interest and penalties.

The penalty included in the disclosure is fixed at 10% of tax/duties that have been underpaid unless:-

- the total amount of unpaid liability being disclosed is less than £1,000 in which case no penalty is due.

Disclosures can be made by an individual or on behalf of another tax payer e.g. a company, a trust or a deceased person. Agents can also disclose on behalf of their clients.

Key dates

By 31 st March 2010	By 30 th June 2010
Notification to HMRC of the intention to disclose NB you will not be able to disclose under the THP after this date	Disclosure and payment of all taxes, duties, interest and penalties.

After 31st March 2010 HMRC will review the tax affairs of medical professionals who have not notified them of their intention to make a disclosure against information obtained from third party sources. Any discrepancies could lead to detailed tax enquires, or in serious cases the possibility of criminal prosecution. If it is found that additional taxes are due HMRC will seek penalties likely to be between 30% and up to 100% of unpaid liabilities.

If you would like further information on this or any other tax related matter please contact a member of the Wealth Planning Team on:-

+44 (0)207 689 7000 or lawyers@rooksriders.co.uk

Whilst every effort has been made to ensure that the information contained in this briefing is correct it is intended as a guide only and should not be relied upon when embarking on any tax or estate planning exercises. Specialist legal advice should always be sought so that all the factors specific to your circumstances can be taken into account.