

“Disguised Remuneration” or loan schemes

I met with several constituents today who are worried about the Inland Revenue's wish to re open their past tax years. They say they took good advice at the time and were assured these schemes were legal. They notified the Inland Revenue, and were not subject to tax enquiries or additional tax charges when they filed their returns. They regard later government action as retrospective taxation, when they deny any legal liability.

Other MPs have also taken this up for constituents. I sought a letter from the Treasury clarifying the law for them, but the result has led to a further disagreement between the taxpayers and the Treasury. I have agreed to take it up again with Ministers.

Meanwhile any constituent affected would also be wise to go back to the professional advisers and firms that recommended and arranged these matters for them to see what they have to say and to pursue with them why their advice has led to strong queries by the Revenue and possible large bills that were not expected. As this is a nationwide issue, the lobby group involved is I believe looking into undertaking a test case in the courts where it will need to receive good legal advice and assess the advantages from spending money on such an action.