

[REDACTED]

From: [REDACTED]
Sent: 06 June 2011 14:55
To: [REDACTED]@hmrc.gsi.gov.uk
Cc: [REDACTED]
Subject: P11Ds and grossing up

[REDACTED]

Thanks very much for your email, and your guidance at our meetings recently. As operations will be producing the P11Ds, [REDACTED] asked me to reply.

I agree it would be very helpful to meet you and the House of Commons to go through this. It would be good to meet as soon as possible and I am available on most days so please suggest any dates which suit you.

However, as you say, the deadline is getting close now and we're very keen to start work on producing the data for this, so in the meantime I have set out below how we plan to proceed based on our discussions with you. I would be very grateful for any comments you have on this, ideally by close of play on Thursday this week if that is possible, so that we can make sure we have the IT etc we need in place.

1. P11Ds

We are planning to include the following categories in the P11Ds:

GAE

Capital expenditure – I would be grateful if you could confirm that this should be included in the P11D, or if there is a separate mechanism for it as it is covered by the tax-free allowance (currently up to £100 000):

Office Furniture purchase

Printer purchase

Photocopier purchase

Fax purchase

Scanner purchase

Shredder purchase

Computer HW purchase

Television Purchase.

Other

Winding up

Miscellaneous

Miscellaneous Security Assistance

I understand that tax relief is available where the threat is specific (as it will be as we pay this on the basis of police report). At our meeting, you said you would need to check the position for security and P11Ds. Can you please confirm that this expense type needs to be reported on the P11D?

Miscellaneous Disability

May be taxable where the MP, not their staff, is disabled. Substantial and long term disability is not taxable and several of these categories may include capital expenditure. We intend to ask the MP to declare if it is capital expenditure and whether the disability is substantial and long term (as it generally will be).

Staff - £a

IT/Equip - £b

Off Furn - £c

Adjustment - £d

Larger Pr - £e
Addn Trav - £f
Assist Other - £g
Staff hotels and travel - £h.

Miscellaneous Contingency

I assume that, should any tax arise from any of the categories above on the P11D, it will be for the MP to pay it.

2. Grossing up

For the following expense types, we intend to calculate how much expenditure is involved, gross up and pay the tax on these directly to HMRC. Any guidance you can provide on the process for this would be very helpful.

I assume that these expense types do not therefore need to be included in the P11D.

Newspapers (under GAE, Other)

Children's/dependants' travel (guidance refers to dependant children under 16 and other dependants for whom the MP has caring responsibilities – spouses/partners are exempt where they share caring responsibilities)

Hotels 11pm to 1am

Late night taxis (Only if exemption under HMRC rules - under 60 journeys a year and MP works later than usual and past 9pm - does not apply)

Food if eaten off the parliamentary estate

Exceptionally, any home to work travel

Hospitality

Miscellaneous Insurance

I hope this is clear, but please say if you have any queries. Thanks for your help.

Kind regards,

[Redacted]

[Redacted]

020 7 [Redacted]