

Self Assessment Tax Enquiries

Where a tax return has an error or omission, the client's tax office will contact the client, and the agent, when there is a minor query.

The Inland Revenue will send a formal notice of an enquiry if there are more serious concerns.

There are 2 forms of enquiry

- Full Enquiry – looks at the return as a whole.
- Aspect Enquiry – looks at a specific aspect of the return (egg Tax paid on Interest bearing accounts).

An aspect enquiry can be turned into a full enquiry.

In most cases an enquiry is opened where the Inland Revenue have reason to believe the return is incomplete or incorrect.

There is also a requirement for the Inland Revenue to select in the region of 7500 random full enquiries.

There is no requirement for the Inland Revenue to say if the return has been chosen at random, but they must inform the tax payer if the enquiry is a full or aspect enquiry.

If the return is filed on time, the Inland Revenue have 12 months from the fixed filing date to start an enquiry. If the return is late the enquiry maybe filed between 12 and 15 months.

This means for 2004-5, an enquiry must be notified by 31st January 2007 for returns filed by 31st January 2006.

Missing the 31st January filing date increases the likelihood of an enquiry.

The Code of Practice COP11 covers enquiries.