

# EXECUTIVE COUNCIL

## CONFIDENTIAL

**Title of Report:** Change of Income Tax Deadlines  
**Paper No:** 225/10  
**Date:** 21 October 2010  
**Report of:** Taxation Officer / Commissioner of Taxation

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### 1.0 Purpose

To present to Honourable Members changes to the due dates for income tax returns being filed and the payment date of assessments.

### 2.0 Recommendation

It is recommended that Honourable Members:

- (a) approve the change of filing dates for Income Tax Returns to on or before 31 July or 60 days from date of issue
- (b) approve the change of payment dates for Tax Assessments to on or before 1 October or 30 days from date of assessment
- (c) if the Medical Service Levy (MSL) EXCO paper is approved the dates in (a) and (b) above are applied to MSL as well
- (d) implement the changes from 1 January 2011.

### 3.0 Summary of Financial Implications

Not significant – Income will reduce by a maximum of 1 month's interest on tax receipts of approximately £105,000.

### 4.0 Background

**4.1** Currently the deadline for filing of tax returns is 30 June or 60 days from the date of issue of the tax return and payment is due on or before the later of 1 September or 30 days from the date of the assessment.

### 5.0 Proposed amendment

**5.1** Changes to the tax threshold, tax brackets, the introduction of MSL and other tax measures that are being considered will increase the workload of the tax office. To ensure that current members of staff of the tax office can adequately

cope with the increased workload it is proposed the tax return filing deadline is changed to 31 July or 60 days from date of issue of the tax return and the payment date on the assessment is changed to 1 October or 30 days from date of assessment.

**5.2** Any changes to the dates in the Taxes Ordinance 1997 also apply to the proposed MSL Bill 2010.

## **6.0 Financial Implications**

The financial implication is one month delay in receiving income tax of £105,000 from individuals, which may result in one month's loss of interest on these receipts to FIG, this is not considered significant. (Please note that not all the income tax due is paid by the due date).

## **7.0 Legal Implications**

Amendments to the Taxes Ordinance 1997

## **8.0 Human Resources Implications**

None