

Further comments from HMRC in relation to suppression of SA late filing penalties where returns due by 31 January are received on 1 or 2 February.

As noted elsewhere, strike action by HMRC staff will mean that many people who want to file their SA return on 31 January and try to phone HMRC with questions they need answered to do that will not be able to get through. Because of this nobody who files online on 1 or 2 February this year will get a late filing penalty. No one will pay interest on any payments made on February 1 or 2. The enquiry window will not be extended for returns received on 1 or 2 February.

HMRC note that in 2011 roughly 100,000 out of 600,000 who filed on 31 January contacted them by phone.

Why are HMRC doing this? Normally anyone filing a late SA return would get an automatic penalty. People who couldn't file on time because they couldn't get through with their question, but then manage to get through and file on 1 or 2 February, would be able to successfully appeal against the penalty on the grounds that they have a 'reasonable excuse'. HMRC want to save them the uncertainty and HMRC the unnecessary bureaucracy and cost of fining people who we know will have their penalties cancelled.

What is the legal basis? This is use of HMRC's 'collection and management' power.

What about people who are a day late but didn't try and phone HMRC on 31 January? To save the costs of issuing penalties and dealing with successful appeals, nobody who files an SA return on 1 or 2 February that was due back by 31 January 2012 will get a late filing penalty.

Is HMRC moving the filing deadline to midnight on 2 February? No. The deadline remains midnight on 31 January. But in recognition that many of those filing on 1 or 2 February will only be doing so because they could not get the help they needed on the 31st, HMRC will not be issuing penalties to save HMRC, and hence the Exchequer, the cost of dealing with successful appeals against the penalties. This will also mean that those affected will not receive a penalty and so will not need to appeal against it. It is all part of HMRC's measures to ensure that customers don't receive a £100 penalty through no fault off their own.

Any further comments? HMRC Acting Director General Personal Tax, Stephen Banyard, said: 'We've always been very clear that we want the returns – not the penalties. For that reason, we don't want anyone who can't get through for help and advice on 31 January to be disadvantaged in any way.'