



**TC03684**

**Appeal number: TC/2014/00606**

**Income Tax – amended assessment – incorrect figures in original return – error discovered following routine review**

**FIRST-TIER TRIBUNAL  
TAX CHAMBER**

**ANGELA McPHERSON**

**Appellant**

**- and -**

**THE COMMISSIONERS FOR HER MAJESTY'S      Respondents  
REVENUE & CUSTOMS**

**TRIBUNAL: JUDGE ALASTAIR J RANKIN**

**The Tribunal determined the appeal on 19 May 2014 without a hearing under the provisions of Rule 26 of the Tribunal Procedure (First-tier Tribunal)(Tax Chamber) Rules 2009 (default paper cases) having first read the Notice of Appeal dated 26 January 2014(with enclosures), HMRC's Statement of Case acknowledged on 18 March 2014 (with enclosures**

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## DECISION

1. The Appellant is appealing a further income tax assessment of £1,468.49 as at  
5 31 December 2013. This figure is contained in a letter from HMRC to Ms McPherson  
dated 31 December 2013. However the papers furnished to the Tribunal indicate an  
amount of £1,475.75 due as at 5 March 2014. The difference appears to relate to  
additional interest being charged on the unpaid tax. The Tribunal considers the appeal  
in fact concerns an amended assessment for the period 2010/11 of £959.80 and an  
10 additional amendment of £516.80 as a result of the submission of the amended return  
in March 2013 (see paragraph 8 below).
2. Although Ms McPherson has applied for permission to appeal out of time,  
HMRC accepts that her original appeal was made within time. Accordingly the  
Tribunal allows the appeal to proceed.
- 15 3. Ms McPherson submitted her income tax return for the period 2010/11 by her  
agent electronically stating that her earnings from the London Borough of Islington  
(Islington) was £552.00 with tax taken off of £221.00. The return was received by  
HMRC on 25 October 2011. As a result of the information contained in the tax return  
Ms McPherson had an outstanding income tax liability for the year 2010/11 of £1.00.
- 20 4. The Tribunal has not been furnished with a copy of the actual return but HMRC  
has included in its Statement of Case copies of the various computer entries  
presumably taken from the actual return.
5. On 11 September 2012 HMRC wrote to Ms McPherson advising her that a  
routine check had revealed a discrepancy concerning her income from Islington. The  
25 P14 received from Islington showed earnings of £3,832.85 with tax taken off of  
£573.20. As Ms McPherson's top rate of income tax was at 40% HMRC advised her  
that additional tax of £959.80 was due.
6. By letter dated 26 November 2012 addressed to HMRC Ms McPherson  
30 appealed against the additional assessment on the grounds that the letter dated 11  
September 2012 was more than 12 months after the end of the tax year, she was  
employed by Islington on a PAYE basis, income tax was deducted at source by  
Islington, no query had been received by her from Islington which had the  
responsibility of contacting her regarding her tax code and finally that Islington was  
liable for any tax owed.
- 35 7. By letter dated 2 December 2012 HMRC advised Ms McPherson that as their  
enquiry was opened within 12 months of receipt of the tax return, HMRC was not out  
of time and that by including incorrect information in her tax return her total income  
was lower than it actually was.
- 40 8. Ms McPherson subsequently submitted an amended tax return dated 19 March  
2013 for 2010/11 showing the correct information concerning her Islington earnings.  
This amended return also included income from her investment property but did not

include any brought forward losses. As a result HMRC raised a further assessment of £516.80 by letter dated 23 May 2013.

5 9. As the responsibility for ensuring a correct and accurate tax return lies on the taxpayer Ms McPherson has failed to produce any valid reason as to why incorrect details of her earnings from and tax deducted by Islington were included in her original tax return nor has she advised HMRC why the amended tax return did not include details of any losses brought forward in respect of her property income.

10 10. HMRC commenced their initial enquiry within the statutory 12 month time limit and were therefore entitled to issue the assessment requiring additional tax of £959.80. The further assessment of tax of £516.80 was issued upon receipt of the amended tax return within the statutory time limit.

15 11. Accordingly the appeal is dismissed and the assessments of £959.80 and £516.80 which together with the original assessment of £1.00 make a total of £1,477.60 remain due for payment by Ms McPherson together with interest and penalties.

20 12. This document contains full findings of fact and reasons for the decision. Any party dissatisfied with this decision has a right to apply for permission to appeal against it pursuant to Rule 39 of the Tribunal Procedure (First-tier Tribunal) (Tax Chamber) Rules 2009. The application must be received by this Tribunal not later than 56 days after this decision is sent to that party. The parties are referred to “Guidance to accompany a Decision from the First-tier Tribunal (Tax Chamber)” which accompanies and forms part of this decision notice.

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**ALASTAIR J RANKIN  
TRIBUNAL JUDGE**

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**RELEASE DATE: 2 June 2014**