

PERSONAL AND CONFIDENTIAL



FROM: E KWIECINSKI
DATE: 19 January 1983

MR ISAAC/IR

WORK PRIORITIES

Further to your discussion with the Financial Secretary yesterday
... morning, I attach a draft minute to go from him to the
Chancellor. He would be grateful for your early comments.

Ekwiecki
E KWIECINSKI

DRAFT MINUTE

FROM: FINANCIAL SECRETARY
TO: CHANCELLOR

INLAND REVENUE: WORK PRIORITIES

I have been considering the current state of work regarding our priorities on taxation issues for the future. I am concerned that the Revenue's resources should be utilised as best as possible in the forthcoming months. I think it may be best to try and categorise our priorities in the following three ways:

- a) work which must be finished for inclusion in this year's Budget.
- b) Issues to be worked on for inclusion in the first Budget after the next Election.
- c) Other long term work
- and d) Items which could be dropped altogether.

A) Pre-Budget Work

- i) Major work on Income tax changes - well in hand
- ii) Capital Transfer Tax -: Reform rate bands and thresholds: my recommendations to you on 18 January 1983 - work well in hand.
- iii) Group Avoidance: BL. etc: legislation required: IR submission imminent.

iv) Life Assurance: Minor points (Second hand bonds etc):
action in Budget already announced - work well advanced.

v) Stamp duty: Minister of State (R) has not ruled
out the possibility of some legislation in this year's
Finance Bill.

vi) Share options: decisions taken in principle at
your meeting on 12 January: drafting to proceed.

vii) Minor personal allowances: Mr Fowler's proposals
to abolish the dependent relative allowance in the
context of a new invalid relative allowance: decisions
not yet taken.

viii) Widows Bereavement Allowance: awaiting your late
decision for possible inclusion as part of a "caring
package".

ix) Rates and revaluation

x) tax treatment of deep discounted bonds etc - Revenue
consultative document issued.

xi) Business Expansion scheme and Gryllsery - work well in
hand.

C) Post election-Long term work

i) Taxation of Husband and Wife - Green paper to be issued : target date early summer (timing may be effected by Prime Minister's decision on election date) implementation of change (if ITTA) dependent on COP.

ii) Current year Assessing for Schedule D - decisions required.

iii) Black Economy- Keith Report imminent - decisions to flow from its recommendations: for next Parliament.

iv) Cork Report: Inland Revenue issues arising, Crown preference etc. Little pressure for early action, further discussions needed with DOT and Bank of England, before decisions are taken. Again something for the next Parliament.

v) Stamp Duty Review - decisions arising from the consultative process.

D) Candidates to be dropped

i) Allowances for rented accommodation

ii) Enterprise bonds

I would be glad of your views, and those of colleagues on this; and I suggest we have an early meeting to discuss our priorities further.