



Treasury Committee

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Jim Harra CB
Chief Executive and First Permanent Secretary
HM Revenue and Customs
[via email]

20 October 2023

Dear Jim,

The work of HMRC – Follow up to the hearing on 18 October 2023

Thank you for giving evidence to the Committee on the 18 October 2023.

During the hearing you offered to write to the Committee with further data and information. I include these points below, along with transcript references:

1. How many Loan Charge cases did HMRC settle in the 2022-23 tax year? How much were these settled for? Please also provide the smallest and largest settlement sizes? [Q298/299]
2. How many people you have identified as requiring extra support over the Loan Charge issue and how are you supporting them? [Q303]
3. What is the start-to-finish cost for the Making Tax Digital for Income Tax Self-Assessment system? [Q308]

Towards the end of the hearing, you told us that “A combination of earnings growth, growth in investment returns and policy decisions means that there are more and more taxpayers each year [...]”.¹ You also noted that “[...] more and more taxpayers will be interacting with the more complex ends of the tax system, and that tends to drive contact with HMRC”.² I would be grateful if you could set out for the Committee:

4. The number of people you expect to be joining the tax system in the 2023-24 and 2024-25 tax years.
5. What proportion of the people joining the tax system in 2023-24 and 2024-25 do you expect to now have complex tax affairs? How many taxpayers already in the system do you expect to become more complex over the same periods?
6. What is the estimated cost for HMRC to serve those additional taxpayers and additional complexity? Have you been granted additional funding from the Treasury to meet that cost?

In line with the Committee’s usual practice, I will be placing this letter and your response in the public domain. I would be grateful for a reply by midday 2 November 2023.

With best wishes,

Harriett Baldwin MP
Chair of the Treasury Committee

¹ Q357

² Q358