

E205

From: Martin Tingle
Sent: 13 May 2009 23:06
To: Inquiry
Subject: MPs expenses

I think the general principle should be that the same rules should be applied to those in public life as to the rest of us. The ability to flip election of the second home for CGT purposes is available to the general public but in my view is a bad rule anyway, you should not be allowed to change election of principal residence once an election has been made. If you owned 2 houses and no election has been made you could back-date an election immediately after sale of one property.

Have HMRC not said they will relentlessly pursue those stretching or bending the rules to "avoid" paying the "fair" amount of tax? All claims which have been paid to the MPs which are not "wholly, exclusively and necessarily" should be taxed and penalties and interest charged just as they would be for anyone else. Even if the MPs repay the unreasonable overpayment now the interest and penalties on the under-declared income tax should be payable and pursued relentlessly by HMRC. If a private individual "put their hand up" to HMRC and said "look, sorry, just realised I claimed £40k expenses in error 3 years ago but I've paid it back now" then HMRC would still pursue the interest as tax should have been paid 3 years ago and penalties should apply. Some tax would also be due as the £40k has essentially become an interest free loan and interest free loans are taxable on the value of interest not charged. HMRC should also consider criminal proceedings since this is basically fraud.

No claims should be allowed for moats, swimming pools, toilet seats etc as these cannot possibly be "wholly, exclusively and necessarily" for the performance of their job.

HMRC should apply the same approach to blanket exemptions as they would if a private company were applying rather than parliament. For example it would be reasonable, in my view, for a specific allowance to be payable for postage to an MP without them needing to keep every receipt for stamps. BUT they would have to keep evidence that they had communicated with their constituents by post. This will not be onerous as I expect they would keep a copy of every letter sent out anyway.

I think it reasonable that a contribution for a London home were paid to the MPs BUT it should be limited to the typical rental cost of a furnished one bedroom flat in the suburbs - not a penthouse in Westminster. MPs representing a constituency where travel time to Westminster is less than 2 hours should not be able to claim anything since if they worked for a private company they would be expected to commute and no relocation would be paid. It may well be cheaper for the government to buy a hotel and just make the rooms available to MPs at no charge but with no allowance paid. If the MP chooses to buy a house rather than stay at the hotel that's their choice.

MPs should not be allowed to claim for residence maintenance cost at all since the suggested allowance is based on the rent of a furnished flat where maintenance would be the landlord's responsibility. They should not be allowed to claim for council tax, utilities or similar since these would fail the "wholly, exclusively and necessarily" test.

I think to restore public confidence EVERY MP who has served in the last 7 years should now be subjected to a full tax inspection by HMRC. Every claim and receipt for the last 7 years should be examined and challenged. If the MP does not have the receipts and evidence that the expense was "wholly, exclusively and necessarily" in the pursuance of their job then it should be disallowed, the expense reimbursement taxed and penalties and interest applied to the full extent of the law, including possible criminal proceedings.

Regards,
Martin Tingle

Bromsgrove

21/05/2009



This e-mail is sent on behalf of Doncasters.
Its contents are confidential to the recipient and may be legally privileged.
If you are not the intended recipient:
(1) you must not disclose, copy or distribute its contents to any other person nor use its contents in any way;
(2) please contact Doncasters on +44 (0) 1332 694143 (IT administration) quoting the name and sender and the addressee then delete it from your system.

For general enquiries please contact +44 (0) 1332 864900.
Doncasters has scanned this e-mail for viruses but does not accept any responsibility for viruses once this e-mail has been transmitted.
You should scan attachments (if any) for viruses.

Doncasters Limited, registered in England no. 321992 at Millennium Court, First Avenue, Centrum 100, Burton-on-Trent, Staffordshire, DE14 2WR, U.K.
This email was received from the INTERNET and scanned by the Government Secure Intranet anti-virus service supplied by Cable&Wireless in partnership with MessageLabs. (CCTM Certificate Number 2007/11/0032.) In case of problems, please call your organisation's IT Helpdesk.
Communications via the GSi may be automatically logged, monitored and/or recorded for legal purposes.