The important point to note is that the deadline for renewals, as set out in regulations, is either 31 August or (if later) 30 days after the papers are issued. HMRC will allow at least 30 days for the Annual Declaration to be sent back (or renewed by phone) and in the meantime, provisional payments should continue.

This should be clear from the form, and tax credit Helpline staff are being instructed to provide reassurance to callers.

190. HMRC priority line for agents

As reported in our weekly newswire, in August HMRC set up a new priority telephone line for agents dealing with their clients' working and child tax credit affairs.

The agents' phone line is **0845 300 3943**. HMRC explain how it works:

All agent calls will be routed to one Contact Centre site. When the call comes through, it is identified as an agent call and the adviser will have the relevant guidance for verifying and dealing with agents at their fingertips. This will ensure a more efficient service for agents.

If an agent uses the existing general number, our staff should still deal with the call, but we recommend that you use the new number. The new priority line is for agents only; please do not make it available to the general public otherwise the efficiency of the service will be affected.

We are very pleased about this as it is something we have been pressing for since the early days of tax credits. The benefits of an agents' helpline should be two-fold:

- In the past there have been problems with staff on the main tax credits helpline not understanding what a 64-8 or an authorised agent is. Although the situation is now much improved, the problem does still rear its head from time to time. This should not happen with HMRC staff on the dedicated agents' line.
- Agents are likely to raise particular technical issues – for example, concerning self employed accounts or pensions deductions, or protective or nil awards – which may not be key issues for most helpline callers. We hope that the new service will enable such matters to be dealt with more efficiently.

We have had a number of good reports of how this service is working so far, and would urge members to use it. One member told us:

I called it twice today and expected it to be busy because it is the last date for renewals. I got straight through on both occasions and was dealt with really well both times. The staff clearly knew a number of ways to verify on their system that I was the agent when the first did not work and never once said 'you're not shown as agent so we cannot speak to you', but simply said that they needed to go to another system. They did this very quickly and efficiently.

CGT

191. SFP and quota – CGT treatment and potential loss claims

As the Single Payment Scheme for Farms (SFP) now replaces most subsidies there is an opportunity to make negligible value capital loss claims in respect for the old subsidies, eg for purchased beef, and sheep quota. Quotas which were abolished before 1 January 2005 will be treated as having been disposed of on the date on which they ceased to exist. Capital losses may arise in respect of quota acquired other than for nil consideration which were held as non-wasting assets (HMRC *Tax Bulletin* Issue 78 August 2005 page 1229).

Milk quota is not officially 'dead' until the milk quota market ceases. All dairy farmers with purchased quota must ensure they identify the future of it. The value of milk quota is falling but it is still not completely redundant. It is expected that it will be a few more years until milk quota has no value at all and a negligible loss claim will be accepted. Any attempt to establish a capital loss on the value of the purchased milk quota now will mean that the quota needs to be sold.

The SFP is an entitlement and therefore an asset. The sale or permanent transfer of the entitlement is subject to CGT. Full Business Asset Taper Relief (BATR) will not be available until the asset has been held for two years, ie not before 1 January 2007. BATR will therefore be available on 2007 transfers and sales. Rollover relief is also available on gains made on the sale or transfer of SFP.

Consideration must be given to both SDLT and VAT on the sale of entitlements.

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IHT

192. Foreign property in IHT accounts

The August edition of the HMRC *IHT Newsletter* warns that for the remainder of 2006 HMRC are going to be taking a close look at any foreign property appearing in the IHT accounts of deceased persons.

They will consider, for example, if a house abroad is included in the account, would there normally be household goods? Furthermore, has the value of these