

Self-Assessment Partnership Specials and Exclusions for online filing – 2020-21

Special Cases

1. Most developers will have taken the following items into account in their software. If a customer does find though that they cannot file online for one of these reasons, a claim for reasonable excuse should accompany the paper return.
2. Any paper return submitted must conform to the normal rules for paper returns even if it is a computer-generated paper return e.g., it must hold a valid signature.
3. Where an HMRC recommended workaround causes an online return to be submitted with an entry that is not strictly correct, HMRC will not take action on that particular entry for that reason alone provided that the inaccuracy is in accordance with the workaround and purely to facilitate online filing.
4. Specials have been separated into two categories. The above points apply equally for both categories. Category 1 lists the System related Specials that have been in place for several tax years and will require significant system and CESA alterations to be removed. Category 2 lists the "live" Specials that are active during the relevant tax year but are reviewed by HMRC and a future fix is being considered.

Category 1 - System Related Specials: 7

| Unique ID | Box number | Issue | Workaround | Status |
|-----------|--|---|-----------------|--------|
| 1 | Documents etc required to be submitted with return | Where the return Guidance asks for documents to be sent with the return, you should submit the document as an attachment. The total file size of these attachments must not exceed 5MB before encoding. Where you do not provide an attachment facility in your product, or it would not be appropriate to send the information via the electronic attachment feature the return should be submitted electronically and any paper document sent to the relevant HMRC office no later than 1 month after the return is filed electronically. | For information | - |
| 2 | More than one Trade | Only one set of Trading and Professional Income pages and the Partnership Statement relating to it can be filed in the normal way. If there is more than one trade to be included in the return, the one with the largest turnover should be filed that way and additional Trading and Professional Income pages for additional trades should be filed as attachments, each with its own Partnership Statement. | For information | - |

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| 3 | More than one accounting period | <p>The main Partnership return should be completed with details of the latest accounting period ended in the tax year. Where there is another accounting period ended in the year the necessary pages, e.g., Trading and Professional income, UK Property, Foreign and Untaxed Savings, for the other accounting period should be submitted as attachments. The relevant entries in those attachment pages should be transcribed to a second Partnership Statement which should be submitted as an attachment. The return period for taxed income will still be the tax year itself and figures for that type of income should be shown in the main Partnership Statement.</p> <p>Similarly note that, in the case of a construction industry trade with more than one accounting period, all subcontractor tax deducted in the tax year itself should be shown in box 3.97 on the main return.</p> | For information | - |
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| Unique ID | Box number | Issue | Workaround | Status |
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| 4 | Limit restrictions on iterative boxes | If you attempt to submit more boxes (i.e., iterative) than is allowed by the schema (technical documentation) your return will fail when filed online, unless you follow the workaround. | <p>If, exceptionally, you have more items to include in a section than the schema (technical documentation) allows, amalgamate items as follows (but it is permissible for you to amalgamate as seems sensible):</p> <ul style="list-style-type: none"> • Complete all but the final entry line as normal. • Amalgamate any remaining items together & enter the total in the final entry line. • Note that in all cases if there is a total box it must show the total of all the entry lines including the amalgamated line(s). • Include an attachment with the return (or use additional space) to make a full return of those items amalgamated for convenience. | - |
| 5 | Trading and Professional Income | Tax deducted from trading income (Excluding deductions made by contractors on account of tax) (Box 3.98) | Box 3.98 should be left blank and any entry which would fall to be made in this box should be included with deductions on payment and deduction statements from contractors in box 3.97 and details entered in the additional information space. | - |
| 6 | Various | Please follow the workaround. Total boxes should be present. | Where a business rule adds a number of elements together and the total is an optional element you should include the total element in your XML unless the total is a zero and the data type is a nonzero type or you have been requested to specifically exclude in other circumstances within this document, in which case the element must be absent. | - |

| Unique ID | Box number | Issue | Workaround | Status |
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| 7 | SA800 Box 7.9A (page 8) SA804 Boxes 7.3 & 7.6 (page PS1) | The Return Guidance says that entries may be made in these boxes, rather than completing the Partnership Savings, Investments and Other Income pages (SA804) in certain circumstances. However, these boxes cannot be transmitted by Internet. | You should therefore submit a SA804 if there are entries to be made here and you wish to file electronically. The details should be entered in boxes 7.3, (and carried forward to box 7.6) | - |

Category 2 – “Live” Specials: 2

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| 9 | SA802 Box 2.10A (page PF2) and Box 2.14 (page PF3) | <p>The tax relief that landlords of residential properties get for finance costs is from 20/21 restricted to the basic rate of income tax, rather than being deductible from rental income. This has been phased in since 6 April 2017. These changes also apply to loans taken out by individuals to invest in partnerships which are carrying on residential property businesses. For foreign residential property lets this means, as per the SA802 (Notes) that ‘partners cannot deduct the cost of getting a loan, or alternative finance to buy a property that’s let, or any interest on such a loan...Interest costs will be used to calculate a reduction in partners’ Income Tax.’</p> <p>Box 2.14 on the SA802 is now restricted to ‘Non-residential property finance costs’ rather than both residential and non-residential, and ‘Residential property finance costs’ are entered at either 2.30A/2.33A and carried to 2.10A. An entry at 2.14 is no longer required if there are only residential property finance costs to be claimed at 2.30/2.30A and so 2.10A should only include amounts from 2.30/2.30A. However, a validation has remained in place that states that if there is an entry at 2.10A then there must also be an entry at 2.14. Therefore, if there is no entry in 2.14 but there is at 2.10A then validation will fail.</p> <p>The number of customers estimated to be affected is less than 50.</p> | <p>The workaround is to enter ‘0’ in box 2.14. This will stop the error message firing and allow successful submission of the return.</p> <p>The reason for the workaround should be entered in the ‘Additional Information’ box 3.116 on the SA800.</p> | Planned fix for 2021/22 |
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| 10 | SA801, page PL2, box 1.22A | Cash Basis cannot be used when one or more businesses have a combined turnover of over £150,000. When reporting Property income on SA801 of over £150,000 a tick is required at box 1.22A to confirm that the traditional accounting rules have been used. Currently when this is done and 1.3A within the Furnished Holiday Lettings (FHL) section is not present, an error message will fire as it is expected that boxes 1.3A (the FHL equivalent of 1.22A) and 1.19 (where the FHL business is in the EEA) should also be ticked. This is because of the validation 'If 1.19 and 1.3A are both absent then the total of boxes 1.3 and 1.13 and 1.24 and 1.34 must be equal to or less than £150,000 (cash basis threshold).' | The workaround to this is to apply a tick into box 1.3A on both instances of the FHL section. Where there is more than one instance of the page then 1.3A should be ticked on all instances. The reason for the workaround should be entered in the 'Additional Information' box 3.116 on the SA800. | Planned fix for 2021-22 |
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Exclusions

Cases Excluded from Internet filing

1. Where a partnership return cannot be filed online for a reason listed below, provided that a paper return is delivered on or before 31st January following the end of the tax year to which the return relates, HMRC will accept that the taxpayer had a reasonable excuse for failing to file a paper return by the normal 31st October deadline. A reasonable excuse claim should accompany the paper return
2. Any paper return submitted must conform to the normal rules for paper returns even if it is a computer-generated paper return e.g., it must hold a valid signature.
3. Where an HMRC recommended workaround causes an online return to be submitted with an entry that is not strictly correct, HMRC will not take action on that particular entry for that reason alone provided that the inaccuracy is in accordance with the workaround and purely to facilitate online filing.
4. Exclusions have been separated into two categories. The above points apply equally for both categories. Category 1 lists the System related Exclusions that have been in place for several tax years and will require significant system and CESA alterations to be removed. Category 2 lists the "live" Exclusions that are active during the relevant tax year but are reviewed by HMRC and a future fix is being considered.

Category 1 - System Related Exclusions: 4

| Unique ID | Box number | Issue | Workaround | Status |
|-----------|----------------------------|---|--|--------|
| 1 | Early submission of Return | Where it is considered necessary to file a return before the end of the tax year (eg before 6 April 2020 for a 2019-20 return). | For information | - |
| 5 | Mixed partnership | Where a Partnership is mixed (i.e. has individual members corporate, non-resident members, or property partnerships too) 2 sets of computations are required. | Files say the Income Tax UK Resident Individual version and attach the different versions of page 4 (Income and Expenses with Tax Adjustments) and possibly page 3 (3-line Accounts and Capital Allowances if those allowances were different for the different versions of Tax Adjusted Profits) plus pages 6 & 7. The attachment version should be in the same format as the principal pages 3 to 7 with the appropriate box 4 or 5 on page 6 ticked to say what version it is. | - |

| Unique ID | Box number | Issue | Workaround | Status |
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| 6 | Online amendments | Return amendments can be submitted up to 12 months after the statutory filing date. Where a return has been issued late and legitimately filed after the 31st January the customer should have a further 12-month period to submit an amendment. However, the system only allows online amendments to be submitted within 12 months of the online filing date of 31st January. All amendments received before midnight on the 31st January will be accepted. | Amendments made more than 12 months after the online filing date should be submitted on paper | - |
| 11 | Limited Liability Partnerships | Where an LLP Partnership has only 1 Partner for the year (other partners left during previous tax years), and the Partnership carries on in business the LLP Partnership should complete a Partnership Return and Statement giving details for the remaining member. Having only 1 Partner will prevent online filing. | In these circumstances a paper return should be filed. | - |

Category 2 – “Live” Exclusions: 2

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| 7 | Total disallowable expenses (box 3.66) exceed total expenses | Where the total disallowable expenses (box 3.66) exceed the total expenses claimed (the sum of boxes 3.46 to 3.48 plus box 3.64) as a result of negative values in any of boxes 3.46 to 3.48 and 3.51 to 3.63, validation on box 3.66 will prevent online filing. | In these circumstances a paper return should be filed. | Under review |
| 9 | Particulars to be supplied by a 'CT Partnership' if the turnover is between 70k and 15m | In the case of a 'CT Partnership' the same particulars, accounts and tax computations should be supplied, and the same pages and boxes completed as for a Partnership | Please follow the workaround if possible | Removed |

Changes

| Document ID | Date | Unique ID | Detail of change |
|--------------|------------------|----------------|---------------------------------------|
| 2020-21 v0.1 | 17 February 2021 | Special ID10 | New |
| 2020-21 v0.1 | 8 February 2021 | Exclusion ID9 | Removed as not applicable for 2020-21 |
| 2020-21 v0.1 | 2 February 2021 | Exclusion ID12 | Removed fixed for 2020-21 |
| 2020-21 v0.1 | 2 February 2021 | Special ID8 | Removed |
| 2020-21 v0.1 | 2 February 2021 | | Layout of document updated |
| 2020-21 v0.1 | 26 January 2021 | Special ID 9 | New |
| 2020-21 v0.1 | 18 December 2020 | | Document created |