

TAX PULSE

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RAWLINSON & HUNTER

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WELCOME

Welcome to the autumn edition of Tax Pulse. As we approach the Autumn Budget, the rumour mill has once again been in full flow. Over the summer months, it felt like there were daily give aways from the new Prime Minister including the removal of VAT on domestic energy, bus fare reductions, and reducing business rates for pubs, clubs and live music venues. All of these will need to be paid for, and how 'fully costed' they are will no doubt come to light on 28 October.

As usual, we will be publishing a full and detailed Budget Briefing document, but in the meantime, we have pulled together a series of interesting articles for you to enjoy.

A raft of tax consultations have been out for commenting on recently, and we have picked out some of the more high-profile ones including, more timely payments of Income Tax for Self Assessment, modernising the distribution framework, withholding tax on overseas interest, and the proposed first time buyer ISA.

The Temporary Repatriation Facility has been in place for over a year and a half now, and with 2025/26 being the first tax year in which TRF designation can be made, we examine what the impact is likely to be on individuals and their advisers.

In America, there has been much debate about wealth taxes and tax rises. Our specialist UK/US Tax Team takes a look at yet another recent tax consultation, the update on Limited Liability Companies Reform, the current state of play in New York's "pied-à-terre" Tax, proposals for higher taxes in other US states, and how the removal of the Delinquent Filing Procedures for foreign bank account reporting (FBAR) purposes by the IRS provides a reminder that taxpayers should seek advice in a timely fashion as favourable programmes can be quickly withdrawn.

Our final article looks at the commonality between semi-professional football and accountancy as Ylenia Priest, Investment Accountant in our Trust and Wealth Services Team, shares how she balances both careers, and what one teaches about the other.

We hope that you enjoy reading this edition of Tax Pulse. If you have any feedback or suggestions for future editions, please contact one of the editorial team.

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A SUMMER OF CONSULTATIONS

Read this for a summary of some key tax consultations that have taken place over the summer months.

The Government released a number of tax consultations this summer, which could have important impacts on individuals and business owners. These proposals are not yet law but provide an indication of where the Government may seek to legislate in the near future.

More timely payments for Income Tax Self Assessment

A significant consultation from an individual taxpayer perspective is on the implementation of the Government's previously announced proposal at Budget 2025 to change the timing of when Income Tax under Self Assessment (ITSA) is paid.

Under the current system, taxpayers with Self Assessment income tax liabilities of more than £1,000 who have not paid at least 80% of their liability at source are generally required to make two Payments on Account (POAs) per tax year. These are due on 31 January (10 months after the start of the relevant tax year on 5 April) and 31 July (4 months after the relevant tax year ends), with any remaining balance of tax due by 31 January, after the end of the relevant UK tax year. As a result, there can be a delay of up to 22 months between the taxable activity taking place and the associated tax being paid.

The Government is proposing that from April 2029, taxpayers who have both Self Assessment income and sufficient PAYE income will need to pay their forecasted Self Assessment tax liability through PAYE in each pay period. The forecast would initially be based on the taxpayer's most recently filed tax return and taxpayers would be able to update HMRC where their expected tax liability changes.



The consultation is also exploring whether similar changes should apply to taxpayers who do not have PAYE income, including many self-employed individuals and landlords. It is also exploring whether the current £1,000 threshold for POAs remains appropriate.

Respondents to the previous Government's Call for Evidence about the move to more frequent payments of ITSA, indicated that paying tax in smaller, more frequent instalments could offer benefits for some taxpayers, make tax liabilities easier to budget for and reduce the risk of a large, unexpected tax bill. However, respondents also identified challenges for other taxpayers for whom forecasting income accurately can be difficult where their income is irregular or seasonal, e.g. for certain freelancers, consultants, landlords, farmers and seasonal businesses. New taxpayers and those returning to Self Assessment may also have little or no previous tax history on which to base a forecast.

During the transition to the proposed system, the Government appears to recognise taxpayers will effectively have to pay tax under the existing timetable while also beginning to make more regular in-year tax payments under the new payment schedule, which could cause cash flow and administrative issues. ITSA taxpayers are already facing further challenges in respect of reporting income and expenses through Making Tax Digital. The Government sought views on how to make the transition smooth.

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Currently, the maximum amount of tax that can be collected through PAYE in any pay period is 50% of PAYE income. The Government has sought views on whether this threshold remains appropriate for specific groups of taxpayers.

As a result of the proposed changes, employers and payroll providers may also need to deal with more tax-code changes and taxpayer queries, which could create an additional administrative burden.

The Government appears to recognise the benefits and challenges of moving to more frequent and real-time payment of ITSA. It is also positive that the Government has consulted on implementing these proposals. However, the Government's intended direction of travel is clear, the stated policy objective being that this measure will help modernise the tax system, help taxpayers manage their ITSA liabilities, reduce tax debt, and improve compliance. Time will tell if this proves to be the case and if there are sufficient safeguards built into the new ITSA payment system to protect taxpayers.

The Government has promised a response to the consultation later this year.

Modernising the company distributions framework

The rules around the taxation of distributions and repayments of capital from companies have remained largely unchanged since the introduction of Corporation Tax in 1965. The Government's stated view is that while the rules generally operate well, there are sometimes distortions in which economically similar payments to a shareholder can receive different treatment i.e. Income Tax or Capital Gains Tax. The Government is, therefore, considering and consulting on how the rules can be modernised to make the treatment of equivalent transactions more consistent, while preserving legitimate commercial activity.

The consultation's focus is on the tax treatment of distributions for individual shareholders.

The seven areas where the Government sought views on proposals for reform include:

- *reductions of capital;*
- *demergers;*
- *distributions from non-UK companies;*
- *loans to participators (broadly, a person who has a share or interest in the capital or income of a company);*
- *loans from overseas companies;*
- *purchase of own shares; and*
- *the transaction in securities anti-avoidance rules.*

For share buybacks and other returns of capital, the Government is consulting on proposals to reduce the scope for companies to use existing rules to extract value from businesses at capital gains tax rates. One proposal is to "freeze" the amount of capital attributable to shares in any future holding company to the amount subscribed on the original investment. The Government's stated intention is to prevent shareholders inserting a holding company and subsequently extracting value which is taxed as capital where the underlying transaction proceeds from the original company would otherwise have been treated as income.

The consultation also proposes significant liberalisation of the statutory demerger rules. Proposed changes include:

- extending the regime to investment businesses and non-UK companies;

- allowing a distributing company to be dissolved after a demerger where it has no assets; and
- permitting onward sale, change of control or cessation of trade where these occur at least five years after a demerger, with some exceptions within the five-year period.

The Government's stated objective of these proposals is to make the statutory demerger route more viable and to widen its availability, particularly if other proposed reforms restrict non-statutory demerger techniques.

For company purchases of own shares, the Government is proposing what it considers will be clearer and more mechanical conditions for capital treatment. These could include:

- the departing shareholder having a minimum 5% shareholding held for at least two years prior to their departure;
- a requirement for the departing shareholder to have worked for the company throughout the above minimum period;
- a requirement the departing shareholder surrenders their whole shareholding and Directorships with exceptions where sales take place in tranches; and
- restrictions on departing shareholders returning as shareholders or directors within five years. In such situations relief would be withdrawn and the distribution charged to income tax.

The Government is also considering extending the relevant holding and working period to five years in situations where the departing shareholder retains family connections with remaining shareholders and directors.

There are also proposals to align the treatment of distributions from non-UK companies more closely with UK companies, and to clarify the interaction between debt, distribution, and the loan to participators rules. The loan to participators rules are long-standing provisions applying to closely held UK resident companies which recognises that loans to shareholders and other persons with an interest in the capital or income of the company can represent the extraction of company profits that would otherwise not be charged to tax.

The rules apply a temporary tax on the company which is refunded to the company when either the loan or advance is repaid to the company or when the company releases or writes off the debt which typically brings the debt into charge to Income Tax as a distribution. The Government considers that the current regime can result in distributions being subject to tax where the payment has not been properly made under company law which can lead to uncertainty, double taxation or tax avoidance and costly disputes with HMRC.

The consultation sets out proposals for introducing rules to establish the priority of the relevant tax charges including possibly legislating to allow the unwinding of unintentional distributions. For loans from non-UK companies, a new charge on UK-resident individuals is being considered where the overseas company would have been a closely controlled company if it were a UK company.

Finally, HMRC is considering amending or replacing the existing Transactions in Securities (TIS) rules (long-standing anti-avoidance rules designed to prevent taxpayers from using securities transactions with a tax avoidance purpose to turn income into capital) with the stated intention to create a more modern, clearer, principles-based anti-avoidance regime. The challenge will be to ensure that any reform of the existing TIS provisions does not produce further complexity or adversely affect genuine commercial activity such as corporate restructurings where no value leaves the corporate sphere.

Simplifying treaty relief from withholding tax (WHT) on interest paid overseas

This consultation which took place over the summer and concluded on 7 September, looked at the process for obtaining relief from UK WHT where UK source interest is paid to overseas lenders.

Broadly, under current rules, companies and certain other persons paying interest to an overseas lender have an obligation to deduct an amount representing UK income tax at the basic rate from those payments. Broadly, 'yearly interest' (generally interest arising on a debt capable of lasting a year or more) is within the rules whereas 'short interest' (on loans of less than a year) is not.

The UK has a wide network of Double Taxation Agreements (DTAs) which sometimes reduces or removes the UK's taxing rights over interest payments to residents of the other treaty country. Currently, treaty relief is not automatic. Where treaty relief is available, the payer will generally need HMRC clearance before applying the reduced WHT rate or paying interest gross. If clearance is not available in time, the tax may need to be withheld, paid over to HMRC and subsequently reclaimed. HMRC accepts that this can create delay, additional costs, uncertainty, and cash-flow issues.

The consultation, therefore, considered whether treaty relief could instead be applied on a self assessment basis i.e. with the UK payer responsible for determining if treaty relief applies without requiring advance HMRC approval in every case.

The consultation which focused on interest payments from UK payers to overseas payees considered options, including:

- reporting requirements;
- exclusions for higher-risk taxpayers or transactions;
- penalties for incorrect claims; and
- retaining an option for taxpayers to obtain advance clearance from HMRC.

The Government sought views on how the system could be simplified while remaining broadly revenue neutral while also retaining appropriate safeguards against what the Government considers to be opportunities for tax avoidance and profit stripping (whereby business profits are legitimately shifted from high tax to low tax jurisdictions).

The Government's stated purpose of the consultation was to seek views on policy design and possible alternatives before forming a view on specific legislative reform. We await further developments in this area.

A new First Time Buyer ISA

The Government also consulted earlier this summer on the design and implementation of a new First Time Buyer Individual Savings Account (FTB ISA). The Government's stated intention is that once available, this new ISA product will replace the existing Lifetime ISA (LISA) and provide, in the Government's view, a simpler way for first-time buyers to save towards a home.

The consultation summarises concerns which have been raised in relation to the LISA. This includes the complexity of the rules, which may have dissuaded many providers from offering it, limiting its potential take-up, and which can result in savers losing a part of their savings in the form of a withdrawal charge if the funds are withdrawn for an unauthorised purpose. The consultation states that the number of unauthorised withdrawal charges is increasing year on year, reaching 8% of all LISA accounts opened in 2024/25. In addition, according to the consultation, more LISA holders have lost a part of their original savings than have used it to purchase a house.

Based on the consultation, the proposed FTB ISA would not impose a withdrawal charge and would be available to UK residents aged 18 or over, with no upper age limit. It would focus solely on helping people purchase their first home and could be taken as either a Cash ISA or Stocks and Shares ISA and operate as part of an individual's overall ISA limit.

The proposal is that the Government's bonus would be paid at the point when the funds are withdrawn to purchase a qualifying first home, provided that the account had been open for at least 12 months. The current proposal is that the FTB ISA bonus would only be available where an account holder withdraws money for the purchase of buying a property with a regulated mortgage. The bonus would not be available for cash only purchasers or unregulated finance.

The proposal is for ISA providers to be responsible for claiming the bonus from the Government and for conveyancers largely to be responsible for ensuring compliance, including confirming the buyer's legal status, such as they are a first time buyer. Individuals will also be required to confirm they meet the eligibility criteria for the bonus.

The Government states that it has not yet decided on the bonus rate, annual subscription limit or maximum property value for the new FTB ISA. These are likely to be important in determining how attractive the new ISA product is compared with existing savings options. Given the additional administrative burdens in the conveyancing process, one also wonders how simple and popular a product the new FTB ISA will prove to be practice. Yet the Government states that it is keen for the FTB ISA to be available as soon as practically possible and so it is possible we will hear more about this new ISA product in the forthcoming Autumn Budget.

A separate tax consultation held over the summer on LLCs and other 'reverse hybrid' entities is covered in our US Tax Corner article.

Please do reach out to your usual Rawlinson & Hunter contact if you wish to discuss any aspect of this note.

THE TEMPORARY REPATRIATION FACILITY FOR THE FORMER REMITTANCE BASIS USERS - ONE YEAR ON

Read this for a review of the Temporary Repatriation Facility and what the future might hold.

In our Spring 2025 issue of Tax Pulse (Issue 17), we summarised the Temporary Repatriation Facility (TRF), which was introduced by the Finance Act 2025 as part of a wider set of changes, including the abolition of the remittance basis, ending the relevance of domicile for income and capital gains tax purposes and introducing a favourable tax regime for qualifying new UK residents and the concept of a long term UK resident for UK inheritance tax purposes. In this issue we re-consider the TRF as we are now over a year since its introduction.



Unlike the new Foreign Income and Gains (FIG) regime, whereby qualifying individuals with a valid claim may freely remit post-6 April 2025 FIG to the UK without any further tax charge, former remittance basis individuals may still hold pools of historic foreign income and gains offshore. These amounts are often inside mixed funds, investment portfolios or non-resident trusts, and if they are brought to the

UK they can still trigger a UK tax charge.

The TRF provides former remittance basis users with a limited window to designate certain historic pre-6 April 2025 foreign income and gains at favourable tax rates, potentially enabling those funds to be brought to the UK without further UK tax charges. The TRF rates are:

- 12% for 2025/26 and 2026/27; and
- 15% for 2027/28.

As individuals turn their attention to the preparation of their 2025/26 tax returns, being the first tax year in which a TRF designation can be made, the regime is becoming increasingly relevant for individuals with historic pre-6 April 2025 foreign income and gains who may wish to take advantage of this time-limited opportunity.

Qualifying overseas capital – what can be designated?

The TRF is aimed at unremitted foreign income and gains arising before 6 April 2025, during remittance basis tax years, where those amounts have remained outside the UK.

The amount must meet the definition of "qualifying overseas capital", which includes:

- pre-6 April 2025 remittance basis foreign income and gains;
- "uncertain amounts" where it is not possible to quantify the composition of the amount to be designated; and
- capital payments from non-resident settlements where the distribution relates to pre-6 April 2025 Trust income and gains.

Qualifying overseas capital can take a variety of forms. Whilst some individuals may hold historic pre-6 April 2025 foreign income and gains in offshore bank accounts, in practice others, may have used those funds to acquire non-UK investment portfolios, interests in private companies, real estate, or other non-UK assets. The ability to designate both cash and assets means that the TRF may be relevant even where foreign income and gains no longer exists in its original form.

It is also possible to designate pre-6 April 2025 foreign income and gains used to make a UK investment on which Business Investment Relief (BIR) was claimed, and where funds would ordinarily need to be taken offshore within 45 days of a BIR potentially chargeable event to avoid a taxable remittance.

Identifying qualifying overseas capital can, however, present practical challenges. Many former remittance basis users have accumulated overseas funds over a number of years and may have held accounts with multiple financial institutions or advisers. In some cases, historic records may be incomplete, making it difficult to determine the precise composition of a fund or asset.

Whilst the legislation contains provisions that may assist in these situations, such as making a partial designation, the process of identifying and quantifying amounts available for designation can take time and should not be underestimated. Given the TRF's limited availability, affected individuals would, therefore, be wise to take appropriate advice at the earliest opportunity.

When can amounts be designated

A TRF designation is made via an individual's Self Assessment tax return.

Although the TRF is available from 2025/26 to 2027/28, it is possible to make (or withdraw) a designation

during the one year tax return amendment window, meaning that in certain circumstances the TRF is effectively available until 31 January 2030.

This flexibility means that affected individuals do not necessarily need to reach a final conclusion regarding making a TRF designation at the point a tax return is first submitted. Where further information becomes available, records are located, or an individual's circumstances change, the designation can be revisited during the normal tax return amendment period or in a subsequent tax return provided this is within the TRF period. Nevertheless, an earlier designation will usually be prudent and cheaper because the charge is 12% for the first two years and 15% in the third and final tax year of the TRF, and so individuals considering a designation should ideally have their position reviewed sooner rather than later.

The TRF designated amount is treated as taxed in the year of designation, rather than the tax year of remittance. There is no requirement for the designated amount to be remitted in the same tax year, and it can be remitted to the UK at any point in the future, though the reporting on the tax return differs slightly if it is not remitted in the same tax year as the designation.

For trust TRF designations, the effective end date for availability of the TRF is 5 April 2028 for such trust distributions to be made.

Is the TRF right for everyone?

Whilst the TRF is a valuable relief, it will not be appropriate for all individuals, particularly those who have sufficient UK source income and gains, or worldwide income and gains arising from 6 April 2025 (or an earlier deemed domiciled date) which could be freely remitted to the UK post-6 April 2025. Ultimately, whilst 12% or 15% is a reduced tax rate, it still represents an additional and potentially unnecessary tax charge.

The TRF is generally most useful where an individual has significant pre-6 April 2025 foreign income or gains still offshore and expects to need those funds in the UK in the future. However, the TRF is also useful for qualifying beneficiaries of overseas trusts where post-5 April 2025 capital distributions or benefits are matched with the structure's pre-6 April 2025 accumulated income and gains.

Individuals must be UK resident and have previously claimed or been subject to the remittance basis before 6 April 2025 in order to benefit from the TRF. As a result, the timing of a designation can be an important consideration where an individual expects their UK residence position to change during the TRF period.

It is also worth noting that the TRF is not Income Tax or Capital Gains Tax, and this means that foreign tax credits are not available in the same way as they would be for an Income Tax or Capital Gains Tax liability. Consequently, the effective tax cost of making a TRF designation can differ significantly between individuals, reinforcing the importance of understanding the historic composition of the funds concerned before making a decision about making a TRF designation.

Looking ahead

With the first TRF elections now being considered as part of the 2025/26 tax return compliance cycle, affected individuals may wish to revisit their circumstances and historic pre-6 April 2025 position and consider whether the facility could form part of their future planning. Whilst the TRF remains available until 2027/28, checking that individuals qualify for the facility, identifying qualifying amounts, and gathering the necessary records can take longer than expected, making early consideration and engagement with advisers worthwhile.

If you think you may be affected by any of the issues discussed in this article, please do reach out to your usual Rawlinson & Hunter contact.

US TAX CORNER: UPDATE ON LLC REFORM AND NYC PROPERTY PROPOSALS, PLUS MORE STATES PROPOSE "MILLIONAIRE TAXES"

Read this for an update on ongoing developments in both the US and UK that could impact individuals with US connections.

Update on UK Government consultation on LLCs and other 'reverse hybrid' entities

The Summer 2026 issue of Tax Pulse discussed the UK Government's proposed consultation on reforming the taxation of UK-resident individuals who are members of Limited Liability Companies (LLCs). In short, UK resident individuals with interests in US LLCs and other reverse hybrid entities such as US 'S-corps' face significant tax challenges due to the UK and US tax treatment not matching.



The consultation period closed on 31 July 2026, and we are now waiting for the Government to publish its response although no date has been set for this. Whilst we did not comment directly on the consultation, we led a number of roundtable discussions with other advisers in the US/UK community and contributed to the ICAEW Private Client Committee. As part of this, the following key-points were highlighted:

- As a result of HMRC's current approach towards these entities, many clients face a high effective tax rate on all types of income from reverse hybrids.

- The high tax and general uncertainty around the treatment of LLCs etc has influenced clients' personal and commercial decisions about accessing funds from these entities whilst in the UK and, in some cases, clients have left the UK as a result.

- Other jurisdictions have alternative, more favourable models that the UK could follow to alleviate these issues, such as the US's 'check-the-box' regime, which for many entities allows the taxpayer to choose the tax characteristics for the entity.

- However, before any new rules are introduced it will be important to consider issues such as:
  - would the treatment be elective or automatic;
  - would the new rules apply retrospectively;
  - would any change in the characterisation of the entity result in a taxable deemed disposal;
  - how would the change in characterisation apply to group structures and would it apply to all
  - members; and
  - will entities be required to prepare UK financial statements in accordance with UK principles.

Despite these (and many other challenges) the consultation has been seen as a positive step. Aligning the tax status in both the UK and US would have a dramatic effect on the position for US citizens living in the UK. As such it may be expected to encourage them to continue operating such businesses or hold such investment entities even while residing here without significant tax drag and uncertainty. But any changes would need to cover the prospective treatment of existing entities as well as new entities

or for those only entering the UK post enactment of the changes.

We, therefore, await with interest the Government's response once they have analysed the feedback they have received. The lack of clarity on the timeframe might give rise to cynicism in some quarters about the Government's commitment to making any real changes. However, the absence of a specific timeframe should be expected, especially due to the complexity and technical nature of this area.

In the meantime, the Government remains committed to engaging with individuals coming to the UK with the intention, presumably, of making it easier for people to move here. HMRC has announced that between 3 August 2026 and 30 October 2026 they will be contacting individuals to ask about their experience of moving to the UK.

New York's "pied-à-terre" Tax – has it hit the ground running?

New York City's new "pied-à-terre" tax on second homes took effect on 1 July 2026 and the first surcharge payment will be due on 1 January 2027. Unsurprisingly, there has been a backlash given the speed at which these new rules have been brought in and how they have been implemented, resulting in a challenge being brought in a NY state court.

On 10 August, the state court judge barred any action to enforce the new law, thus temporarily blocking it pending further proceedings. The judge has scheduled a hearing for 31 August. However, the City responded by appealing the ruling and on 13 August an appeals court temporarily put a hold on the state court's order blocking the plan until the higher court decides whether to take up the case. Therefore, the City can continue to implement the tax for now at least.

In the meantime, subject to the legal proceedings going through the courts, we at least now have more information on the surcharge although there is still some ambiguity on how it will be applied such as, for example, to properties held by an estate post death.

In the first stage (1 July 2026 to 30 June 2028) the annual tax rates on single family and "one-to-three" family homes ("Class 1 property") are:

- 0.8% with a market value between $5 million to $15 million;
- 1.05% between $15 million to $25 million; and
- 1.3% where the market value is over $25 million.

The annual rates on residential condominiums and co-ops ("Class 2 property") are:

- 4% for properties with an assessed value of $1 million to $2 million;
- 5.25% on properties valued at $3 million to $5 million; and
- 6.5% where the value is over $5 million.

In the second stage (i.e. from 1 July 2028), both property classes will be charged based on the same valuation model (which so far appears fairly generous to the taxpayer) and will be subject to the lower tax rate schedule currently applicable to Class 1 property.

Property owners should have been notified by 30 August 2026 by the New York City Department of Finance if they are subject to the tax. Originally, they had until 30 August 2026 to apply for an exemption, but this deadline has now been extended until 6 October 2026.

More US states propose higher taxes

It is not just New York that has been looking to increase taxes on its wealthiest individuals. A number of other states are under increasing pressure to impose additional taxes on their highest earners and there have been a flurry of new tax initiatives. Among the most notable are:

- California continues to have the highest state-level income tax rates. They have also proposed to supplement this with a one-time 5% wealth tax on individuals with net worth over $1 billion which will be on the ballot in November.

- Maine is implementing from 1 January 2026 a 2% surcharge on individuals with income exceeding $1 million ($1.5 million for those filing jointly or Head of Household).

- Maryland has proposed a one-time 5% wealth tax on individuals with net worth over $1 billion.

- Whilst it has been in place since 2023 so it not new, Massachusetts has a 4% surcharge on taxable income on annual income over $1 million (increased annually for inflation). This has been watched closely to see the impact it has had on the state's finances as well as whether it has led to an exodus of its richest residents.

- Rhode Island is increasing its top income tax rate from 5.99% to 8.99% over three years. It has also enacted from 1 July 2026 an annual 0.5% charge on the value of certain properties that are used for less than half the year. This so-called "Taylor Swift tax" is intended to target luxury vacation homes.

- Washington has also introduced a 9.99% tax on individuals with income over $1 million. It is due to apply from 2028 but is facing significant opposition with a repeal measure going before voters in the November ballot.

The IRS has quietly removed its Delinquent Filing Procedures for FBARs

Literally overnight the IRS removed procedures to help individuals catch up with their delinquent FinCEN Form 114 Foreign Bank Account Report (FBAR). As a reminder, US citizens and tax residents have to submit annual disclosures of their non-US financial accounts where the aggregate value of the accounts exceeds $10,000 at any point during the year. There are potentially significant penalties for failure to timely file e.g. currently up to $16,536 (adjusted for inflation) per year for non-wilful violations.

To incentivise delinquent taxpayers there are various procedures under which they can submit late filings. Last month the IRS removed its Delinquent FBAR Submission Procedures under which qualifying taxpayers could submit late FBARs without penalties. Although taxpayers can still qualify for penalty relief where they have a 'reasonable cause' for not filing their FBAR, establishing 'reasonable cause' has been notoriously difficult and time-consuming.

Furthermore, although there is no indication that they will do so, this should serve as a reminder that the IRS can withdraw its favourable programmes for delinquent filers with minimal notice. Therefore, taxpayers should take immediate action and seek advice as soon as they become aware that they might not be fully US tax compliant. The longer they leave it the more likely they will not qualify or the programme might be withdrawn.

Please reach out to your usual Rawlinson & Hunter contact if you wish to discuss any aspect of this note.

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TACKLING PLAYERS AND NUMBERS

In our final article, we move away from tax matters with Ylenia Priest, an Investment Accountant in our Trust & Wealth Services team, sharing how she balances playing semi-professional football alongside her full-time job in accounting.



My family and I after winning the Sussex Cup last season

I have been playing football at a professional and semi-professional level since the age of 16, firstly in the Women's Championship (now 'WSL2') and currently, in the Women's National League South (tier 3 in the football pyramid) for Lewes F.C.

Coming from a football obsessed family, I started playing at the age of 6. With half of my family being Italian, we are a very loud and passionate bunch, and I definitely portray that on the pitch. The calm office lifestyle is a pleasant contrast to the hectic evenings of training four nights a week and playing matches sometimes twice a week.

My busy schedule might sound intense, but I have known no different for over ten years. During my GCSEs I was travelling to North London to play for Arsenal where we won the FA Youth Cup. Later, while studying for my A-levels, I became a full-time professional footballer with London City Lionesses in the Women's Championship.

Football and accountancy have more in common than one might first think. Juggling both careers is not always easy, and requires a high level of planning, organisation, and discipline. For example, ensuring I have prepared enough food and have all of my kit for training and match days whilst also meeting the demands of a busy office schedule. These organisational skills are equally important in my role as an Investment Accountant, particularly when preparing for wealth reporting deadlines and managing priorities.

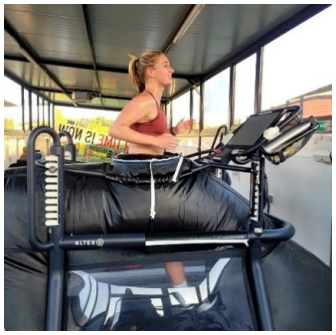


Captain at London City Lionesses (now in the WSL)

From a young age, football taught me the benefits of strong communication and teamwork which have proven invaluable throughout my playing career. These skills also enable me to work effectively with both colleagues and clients, where collaboration is essential in my 'day job'.

One of my proudest achievements came not on the pitch, but off it. Back in 2021, I ruptured my anterior cruciate ligament (ACL), leading to a painful and tough rehabilitation journey of 12 months. However, it has helped shape my character into the resilient and disciplined person I am today. To come back from that injury whilst working full-time and now be playing at a high level again trumps any trophy.

Working through such a difficult period taught me the importance of perseverance, patience, and maintaining a positive mindset in the face of setbacks. The experience has better equipped me to handle pressure and challenges both at work and on the pitch as well as making me a more appreciative person.



ACL Rehab at Watford FC

None of what I have achieved could have been done without the support of family and friends, but also without the understanding of my colleagues and of past and present football teammates and managers. For this, I will always be grateful.

Balancing semi-professional football alongside a full-time accounting role is not always easy, but it is something I am very proud to be able to do and proves that you can follow two of your passions in life.

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