

Information about Revenue Scotland enquiries

What is a Revenue Scotland enquiry

It is important that the tax system for Scotland's devolved taxes operates fairly and efficiently. We recognise that the vast majority of taxpayers want to comply with their obligations. We have various statutory powers to help us check that taxpayers meet their tax responsibilities and pay the right amount of tax at the right time, to ensure that the taxes are operating as intended and to detect and to deter the minority who do not comply with their obligations.

Opening an enquiry does not necessarily mean that we believe there are any problems with your tax return or claim. Many checks are routine, such as where we need more information to understand the return, or are carried out on a random basis to ensure the integrity of the devolved tax regimes.

Some enquiries, however, will be carried out when we have identified, or have reason to suspect that a tax return or claim may be incorrect.

Our enquiries can only be carried out within certain time limits. You can find more information on this in section RSTP1003 of our online guidance at www.revenue.scot/legislation/rstpa-legislation-guidance/tax-returns/rstp1003.

What happens during a Revenue Scotland enquiry

An enquiry can cover anything contained or that is required to be contained in your tax return relating to:

- the question as to whether you are liable to pay the tax to which your return relates; and
- the amount of tax you are liable to pay.

If you have authorised an agent to deal with all matters relating to the transaction(s) on your behalf, we will also contact them to tell them we have opened an enquiry. We will only give your representative details of the enquiry if it relates to the transaction(s) you have authorised us to contact them about.

We will ask you to give us any information or documents that we may need during our enquiry. In some cases, we may also ask to visit your property or business premises.

If you are not sure why we are asking for something, please let us know and we will explain why we need it. If you cannot do what we ask, or you think that something we have asked for is unreasonable or not relevant to the enquiry, please tell us. We will carefully consider your reasons and if we think we still need it, we will tell you why.

What if you need more time to do something we have asked you to do

If you need more time to do something we have asked you to do, please tell us. If we think it is reasonable to do so, we will allow you more time.

Helping us with our enquiry

Helping us with our enquiry can have benefits for you. We will work with you to minimise any inconvenience in dealing with us and conclude matters as quickly as possible.

One of our key priorities is to minimise tax disputes by 'getting it right first time'. We may not find anything wrong with your return, but if something is wrong, we will explain why and work with you to try to put it right. Where appropriate, we will also tell you how to prevent it happening again.

What if you think we should stop our enquiry

If you think we should stop the enquiry, please tell us why. If we do not agree, you may be able to apply to the independent tribunal that deals with devolved tax matters to decide whether or not we should close our enquiry.

If an enquiry into your tax return is in progress (that is, a notice of enquiry has been given and the enquiry has not been completed), any question arising from the subject-matter of your return can be referred to an appropriate tribunal for determination. Any such referral must be a joint notice made by you and Revenue Scotland.

Further information on the role of the tribunal can be found at www.taxtribunals.scot.

What happens at the end of a Revenue Scotland enquiry

An enquiry is completed either:

- when we inform and notify you (by means of a closure notice) that the enquiry is complete and state the conclusions we have reached in the enquiry; or

- automatically if no closure notice has been given, and:
 - three years after the filing date has passed; or
 - if the return was made after the filing date, three years after the date on which you originally made the return has passed.

A closure notice must state that in our opinion, either:

- no amendment of your tax return is required; or
- an amendment is required and make that amendment of your tax return which gives effect to our conclusions (for example that not enough, or too much, tax has been paid).

What happens if something is wrong

If you are due to pay us some money, we will tell you how to pay. You may also have to pay interest and any penalty that we may charge. If we owe you some money, we will normally repay you. In some cases, we will also pay you interest.

Helping us with our enquiry will reduce the amount of any penalty we may charge. We may at our discretion reduce the amount of a penalty depending on the quality (timing, nature and extent) of your disclosure and whether it was prompted or unprompted. The amount by which we may reduce the penalty will vary on a case by case basis.

If you have deliberately done something wrong, we may refer the matter for criminal investigation and prosecution if you:

- give us information that you know to be untrue, whether verbally or in a document; or
- dishonestly misrepresent your liability to tax.

What to do if you disagree

If you do not agree with a decision that we have made, and where it is permitted by law, you can:

- send new information to Revenue Scotland and ask us to take it into account;
- request a review (which is an internal Revenue Scotland procedure where your case will be looked at by a member of staff of Revenue Scotland who has not previously been involved with your case); or
- appeal to the Scottish Tax Tribunals (an independent body which will hear your case).

Mediation can also be entered into at any stage, including following the conclusion of a review, as long as all parties to the dispute agree.

Please be aware that statutory time limits apply in relation to these steps.

You can find more information on dispute resolution in section RSTP6001 of our online guidance at www.revenue.scot/legislation/rstpa-legislation-guidance/dispute-resolution.

Standards and Values

Our Charter of Standards and Values sets out the behaviours we should expect from each other. It applies equally to you (taxpayers, agents and representatives) as it does to us (Revenue Scotland).

For more information, go to www.revenue.scot/who-we-are/charter-standards-and-values.

Your rights when we are considering penalties

If during or following a Revenue Scotland enquiry we consider charging penalties, we will tell you. The European Convention on Human Rights gives you certain rights when we are considering penalties.

You can find full details about these rights in factsheet 'Revenue Scotland - The Human Rights Act and penalties'. This is available at www.revenue.scot.

This factsheet relates to Revenue Scotland enquiries into the following taxes:

Land and Buildings Transaction Tax
Scottish Landfill Tax

More information

If there is anything about your health or personal circumstances that may make it difficult for you to deal with this enquiry, please tell us and we will help you in the most appropriate way.

During the enquiry, please carry on sending returns and making payments when they are due.

If you are unhappy with our service, please tell us and we will try to put things right. If you are still unhappy, we will tell you how to complain.