



# AAT

## Personal Tax

Finance Act 2024

For assessments from  
27 January 2025 to end January 2026

### Pocket notes

These Pocket Notes support study for the following AAT qualifications:

AAT Level 4 Diploma in Professional Accounting

AAT Diploma in Professional Accounting at SCQF Level 8

**KAPLAN**  
PUBLISHING

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chapter

# 1

## Introduction to personal tax

- Tax system.
- Tax planning, tax avoidance and tax evasion.
- Duties and responsibilities.
- Professional conduct in relation to taxation.
- Taxation of individuals.
- Tax year.
- Residence.
- Domicile.

## Tax system

A tax system may have the following underlying principles:

- neutrality
- efficiency
- certainty and simplicity
- effectiveness and fairness
- flexibility.

## Tax planning, tax avoidance and tax evasion

- Tax planning is using the tax system as intended to minimise tax.
- Tax avoidance is legal, but not following the intent of the law.
- Tax evasion is dishonestly withholding or falsifying information: it is illegal.

## Duties and responsibilities

- An AAT tax adviser has duties and responsibilities to:
  - the client
  - HM Revenue & Customs
  - AAT.

## Professional conduct in relation to taxation

Extracts relating to professional conduct are available for you to refer to in the assessment.

Main areas:

- Fundamental principles
- Tax returns
- Tax advice
- Irregularities
- Access to data by HMRC.

You must know your way around the document.

### Confidentiality

- A tax adviser has an overriding duty of confidentiality towards his, her or their client.
- No information should be disclosed to a third party without the client's consent.

- Whilst acting in the client's best interest, the tax adviser must deal with HMRC in an open and constructive manner.
- Duty of confidentiality only overridden where there is a legal, regulatory or professional duty to disclose.

### Tax advice and records

- In providing tax advice and preparing tax returns a tax adviser must:
  - Act in the best interests of the client.
  - Ensure services comply with the law and are carried out competently.
- Advice must not be given or associated with any communication that is believed to be false or misleading.

### Errors and omissions

- Advise client of implications.
- Cease to act unless HMRC notified.
- Inform HMRC but do not give reasons.

## Taxation of individuals

The main taxes applied to individuals are

### Income tax

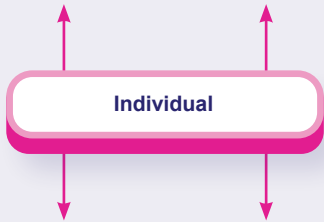
Charged on:

- taxable income
- in the tax year.

### Capital gains tax

Charged on:

- taxable gains
- in the tax year.



### National insurance

Charged on:

- earnings of employee
- in the tax year.

### Inheritance tax

Charged on:

- transfers of value
- in the tax year.

## Tax year

- Also known as:
  - year of assessment
- Runs from 6 April to following 5 April.

### CBA focus

Tax year 2024/25.

6 April 2024 to 5 April 2025.



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