

Candidate Number			



Association of Taxation Technicians

Examination

November 2004

PAPER 1 – PART I

PERSONAL TAXATION

TIME ALLOWED - 3 HOURS
(for Part I and Part II)

You are required to answer **all** questions in Part I and any **three** out of five questions in Part II (printed separately).

Part I

You must write your answers in this booklet using the space provided under each question and complete your candidate number at the top of this page.

Each question carries two marks. It is expected that your answers will be in brief bullet point format or summary computations. It is not expected that you will require all of the space provided.

9. Barry East filed his 2001/02 tax return form on 7 January 2004. The balance of tax payable for 2001/02 of £125 was paid on 31 May 2004.

You are required to show the late filing penalties due in respect of the 2001/02 tax return.

11. On 5 January 2004, Eric sold a 2% shareholding in his family's company for £50,000. He had inherited the shares in April 1980 from the estate of his late uncle at a value at the time of death of £25,000. The shareholding was valued at £20,000 on 31 March 1982. No election under s.35 TCGA 1992 has been made.

You are required to show the amount chargeable to Capital Gains Tax for 2003/04.

12. Michael Bolton is UK resident and domiciled. His wife, Donnatella, is resident but non-UK domiciled. In April 2002 Michael purchased a house in France for £30,000. In September 2003 he transferred one half of the house to Donatella at which time the house was valued at £60,000. The house was sold in December 2003 for £70,000 and Donatella's share of the proceeds was invested in a high interest bank account in France.

You are required to show the chargeable gain before annual exemption assessable on both Michael and Donatella.

14. In January 2003 Henry Middleton gave 3,000 shares in Lotalot plc to his son, Jack, realising a capital loss of £5,000. In March 2003 Henry realised a gain of £10,000 on the sale of shares in Peachtree plc. In February 2004 he gave Jack an investment property which he had held for two years realising a gain of £20,000. Henry had no other chargeable disposals during 2003/04

You are required to show the net amount assessable to Capital Gains Tax for 2003/04.
