



Treasury Committee

House of Commons, Committee Office 14 Tothill Street, London SW1H 9NB

Tel 020 7219 5769 Fax 020 7219 2069 Email treascom@parliament.uk Website www.parliament.uk/treascom

Mike Cherry Esq
National Chairman
Federation of Small Businesses
2 Catherine Place
London
SW1E 6HF

7 February 2017

Dear Mike,

Making Tax Digital

When you gave evidence to the Committee in October 2016, you explained that the Federation of Small Businesses had estimated – on the basis of the limited data that was available at the time – that the cost of digital record keeping and reporting was likely to be around £2,770 per year per business.

As you know, the Government have now published their own estimate. They claim that the cost to business is around 10 per cent of your estimate. You cannot both be right.

I will be asking the Government for more information about their impact assessment. I would be grateful if you could take a close look at it. This puts transitional costs at £280 per business. Furthermore it suggests that in the longer run, there should be overall net savings to business.

I would also be grateful if you could set out in full the methodology behind yours.

I will be placing this letter, and your response in due course, in the public domain.

*Yours,
Andrew*

**RT HON ANDREW TYRIE MP
CHAIRMAN OF THE TREASURY COMMITTEE**