

Please find enclosed a copy of the letter that we have sent to your client, [\[Name\]](#).

We recognise the value of professional agents helping customers with their tax. For information about the required standards for agents, go to [www.gov.uk/government/publications/hmrc-the-standard-for-agents/hmrc-the-standard-for-agents](http://www.gov.uk/government/publications/hmrc-the-standard-for-agents/hmrc-the-standard-for-agents)

Yours faithfully

**HM Revenue and Customs**



HM Revenue  
& Customs

**Date**

**Our ref**

**Your ref**

Dear

Your tax return for the year ended 5 April 2019 included a claim for tax relief. This was for foreign tax paid on your employment income (shown on the UK Tax Return as Foreign Tax Credit Relief).

To make a similar claim on your tax return for the year ended 5 April 2020, please note that:

- you must be a UK resident
- your foreign income must have been taxed under that country's law (earnings relating to the days you worked in the overseas country)
- the amount of credit claimed must not be more than you would have paid in UK on the same item of income
- if there is a Double Taxation Agreement (DTA) between the UK and the other country, you need to check how its terms (specifically those relating to employment income) apply to you
- if an 'Employment Income' article of a DTA does not give the other country the right to tax the employment income, you cannot claim credit for the foreign tax paid on that income and you must claim relief in the other country
- all references to 'employer' in a DTA relate to the "economic employer" (the company that paid for and took the risks relating to the activities of your employment) rather than the formal legal employer (the company that you signed a contract of employment with)
- if you are claiming relief for taxes paid in the US, the UK/US DTA only applies to US Federal tax and does not apply to US State taxes – you will therefore be entitled to claim 'unilateral relief' for any US State taxes correctly paid on your employment income in that US State

After considering the above points you may decide it is not appropriate to claim tax relief on your tax return for the year ended 5 April 2020 for the foreign tax paid against your employment income.

## **If you need more help**

If you have any health or personal circumstances that may make it difficult for you to deal with us, please tell us. We'll help you in whatever way we can. For more information about this, go to [www.gov.uk](http://www.gov.uk) and search for 'get help from HMRC if you need extra support'.

More information about Coronavirus (COVID-19) and the financial help available

Millions of customers affected by the Coronavirus (COVID-19) situation have already taken up financial support. For more information on the range of support available, go to [www.gov.uk](http://www.gov.uk) and search for 'Coronavirus COVID-19'. Then select from:

- work and financial support

- businesses and self-employed people

Yours sincerely

## **HM Revenue and Customs**