HMRC - CH82180 - More Than One Inaccuracy

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More than one inaccuracy in the same document

If tax is due in different rate bands you may need to put the inaccuracies in some sort of order to calculate the potential lost revenue (PLR) for each. The multiple inaccuracy rules deal with this, see CH82250.

Document contains an overstatement(s) and understatement(s)

A document may contain an overstatement, see CH82260. When you calculate the PLR for an inaccuracy you must set any overstatement against the understatement to arrive at the additional tax due for the inaccuracy. The multiple inaccuracy rules explain how to do this, see CH82250.

Grouping

Strictly you should calculate the PLR and penalty for each inaccuracy individually. This means that the computation can be a lengthy process. To reduce this burden you may group certain inaccuracies together and treat them as one inaccuracy for the purposes of calculating the PLR and the penalty. [

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Grouping is a non-statutory method of calculation. You must always use the statutory basis if the person so requests.

Remember that you are calculating the PLR for inaccuracies in the same return or document. You should consider inaccuracies in other documents for the same period separately.

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