

**FOUNDATION QUALIFICATION**

**IN PERSONAL TAXATION**

**SAMPLE QUESTIONS**

**FA 2025**

## SPT01 – Interest income

### Question 1

Stuart is a higher rate taxpayer and had the following taxable income (after deducting the personal allowance) during 2025/26:

	Non Savings £	Interest £
Taxable income	1,000	50,000

Which **one** of the following statements about the Income Tax treatment of the interest income is **true**?

- A ☐ Stuart is not entitled to a savings allowance and interest is charged at 20% within the basic rate band and 40% thereafter
- B ☐ Stuart is entitled to use the starting rate and the savings allowance of £500, but both use up some of the basic rate band
- C ☐ Stuart is entitled to use the starting rate instead of the savings allowance
- D ☐ Stuart is entitled to use the savings allowance of £1,000 and remaining interest is charged at 20% within the basic rate band and 40% thereafter

## SPT02 – Marriage allowance

### Question 2

Martha wants to transfer some of her personal allowance to her husband, Jacob.

Which **two** of the following statements are **true** about the marriage allowance?

- A ☐ Martha must transfer 20% of the personal allowance to Jacob, it is not possible to choose a different amount to transfer
- B ☐ The transfer will decrease Martha's personal allowance and increase the personal allowance available to her husband Jacob
- C ☐ The transfer will decrease Martha's personal allowance and give her husband Jacob a tax reducer equivalent to 20% of the amount transferred
- D ☐ The election to transfer must be made within four years of the end of the tax year to which it applies

### SPT03 – IT for HR and gift aid

#### Question 3

Riccardo had taxable income (after deducting the personal allowance) of £75,000 in 2025/26. In September 2025 he made a cash donation to charity of £4,000 under the Gift Aid Scheme.

How can Riccardo get relief for the amount paid under the Gift Aid Scheme?

- A ☐ Deduct £4,000 from the taxable income
- B ☐ Increase the basic rate band by £4,000
- C ☐ Deduct £5,000 from the taxable income
- D ☐ Increase the basic rate band by £5,000

## SPT04 – Paper returns and 3 month rule

### Question 4

Steve started to rent out a property during 2025/26 and notified HMRC of his rental income. HMRC issued a notice to file a self-assessment tax return to Steve on 3 July 2026.

Steve has never completed a self-assessment tax return before and decided to submit a paper return in time for HMRC to calculate his Income Tax liability.

By which date must Steve submit his 2025/26 **paper** self-assessment tax return in order for HMRC to calculate the Income Tax due?

- A ☐ 3 September 2026
- B ☐ 3 October 2026
- C ☐ 31 October 2026
- D ☐ 31 January 2027

## SPT05 – Late filing penalty

### Question 5

Simon is due to submit a self-assessment tax return for 2025/26.

Due to carelessness on his part, he finally submitted his tax return online on 3 March 2027. The tax return showed an Income Tax liability of £14,600.

What is the **maximum** penalty that Simon may be charged for filing his 2025/26 tax return late?

- A ☐ Flat penalty of £100
- B ☐ Flat penalty of £100; plus £10 per day for 30 days = £400
- C ☐ Flat penalty of £100; plus £10 per day for 90 days = £1,000
- D ☐ Flat penalty of £100; plus £10 per day for 90 days; plus 5% x £14,600 tax liability = £1,730

## SPT06 – Payment dates for income tax

### Question 6

Millicent has the following tax liabilities:

	2024/25	2025/26
	£	£
Income Tax due	<u>5,000</u>	<u>6,000</u>
Capital Gains Tax payable on share disposals	<u>200</u>	<u>300</u>

Identify the date(s) by which Millicent should have paid the tax due for 2025/26 and the amounts she should have paid on each date.

- A** ☐ £2,600 on 31 January 2026; £2,600 on 31 July 2026; £1,100 on 31 January 2027
- B** ☐ £2,500 on 31 January 2026; £2,500 on 31 July 2026; £1,300 on 31 January 2027
- C** ☐ £2,500 on 31 January 2027; £2,500 on 31 July 2027; £1,300 on 31 January 2028
- D** ☐ £6,300 on 31 January 2027

## SPT07 – EIS tax reducer

### Question 7

David subscribed for £1,100,000 of Enterprise Investment Scheme (EIS) shares during 2025/26.

Before any relief for the EIS tax reducer David had an Income Tax liability of £320,000.

What is the maximum EIS tax reducer David can claim in 2025/26?

**A** ☐ £220,000

**B** ☐ £300,000

**C** ☐ £320,000

**D** ☐ £330,000



## SPT08 – Class 1 NICs

### Question 8

Hubert receives a remuneration package from his employer Cookem plc, a listed company.

Which **three** of the following items in Hubert's remuneration package are subject to Class 1 National Insurance Contributions?

- A ☐ Salary and bonus
- B ☐ Shares in Cookem plc
- C ☐ Vouchers
- D ☐ Company car with private fuel

## SPT09 – Allowable/reimbursed expenses

### Question 9

Nadeen, an accountant, incurred the following expenses in her job:

1. Annual subscription to the Institute of Chartered Accountants
2. Cost of travel from home to client's premises to attend client meetings once a month

Which, if either, of the above expenses are **deductible** in arriving at Nadeen's employment income?

- A ☐ Both 1 and 2
- B ☐ 1 only
- C ☐ 2 only
- D ☐ Neither 1 nor 2

## SPT10 – Car benefit and CO<sub>2</sub>

### Question 10

Merlin and Arthur were each provided with company cars during 2025/26 which they used both for business and private purposes. They paid for all the private fuel themselves.

The CO<sub>2</sub> emissions of Merlin's car were 73 g/km.

The CO<sub>2</sub> emissions of Arthur's car were 180 g/km.

What percentage which will be used to calculate Merlin and Arthur's car benefits?

- A** ☐ Merlin – 20%; Arthur – 37%
- B** ☐ Merlin – 21%; Arthur – 37%
- C** ☐ Merlin - 20%; Arthur – 42%
- D** ☐ Merlin - 21%; Arthur – 42%

## SPT11 – Calculating chargeable gain on property with enhancement

### Question 11

In 2025/26 Sandeep sold his holiday home for £145,000.

He had bought the holiday home in July 2013 for £75,000. In October 2016 he added a conservatory for £10,000.

Sandeep never lived in the property as his main home.

What is Sandeep's chargeable gain, before the annual exempt amount?

- A ☐ £60,000
- B ☐ £70,000
- C ☐ £80,000
- D ☐ £145,000

## SPT12 – Picking incorrect statement about losses

### Question 12

Which **one** of the following statements about capital losses is **false**?

- A ☐ Capital losses can be offset against chargeable gains in the most beneficial way
- B ☐ Brought forward capital losses are set off against the gains after utilising the current year capital loss and deducting the annual exempt amount.
- C ☐ Where capital losses exceed chargeable gains in the current year the excess capital loss can be carried forward against future chargeable gains
- D ☐ Where capital losses exceed chargeable gains in the current year the excess capital loss can be carried forward against any type of income in the future

## SPT13 – PRR – calculating number of years PRR

### Question 13

Riya bought a house in August 1994 for £60,000. Her occupation of the house was as follows:

First 84 months	Lived in house
Next 132 months	Lived in employer accommodation while working elsewhere in the UK
Next 36 months	Lived in house
Next 24 months	House empty whilst Riya lived with her brother
Next 96 months	Lived in house

**Total 372 months**

She sold the house in August 2025 for £150,000.

How many months of private residence relief (PRR) is Riya entitled to on the sale of the house?

- A ☐ 216 months
- B ☐ 300 months
- C ☐ 348 months
- D ☐ 372 months

## SPT14 – Use of CY capital loss

### Question 14

Michael made capital gains of £27,000 and capital losses of £25,000 during 2025/26.

What is Michael's **net chargeable gain** for 2025/26?

- A ☐ £Nil
- B ☐ £2,000
- C ☐ £3,000
- D ☐ £24,000

## SPT15 – Calculating CGT liability, wasting chattel, residential property

### Question 15

Hiran made the following disposals during 2025/26:

1. A holiday home in Devon for £190,000. This originally cost £160,000. Hiran had never lived there but had rented it out for the entire period of ownership.
2. A share in a racehorse which originally cost £12,000 and was sold for £16,000.

What are Hiran's **chargeable gains** in respect of the above two assets for 2025/26?

- A ☐ Holiday home - £Nil; Racehorse - £Nil
- B ☐ Holiday home - £Nil; Racehorse - £4,000
- C ☐ Holiday home - £30,000; Racehorse - £Nil
- D ☐ Holiday home - £30,000; Racehorse - £4,000



## ANSWERS

Question	Answer(s)
1	B
2	C, D
3	D
4	C
5	A
6	B
7	B
8	A, B, C
9	A
10	A
11	A
12	D
13	B
14	B
15	C