

Heslops

Chartered Accountants

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Self-assessment reminder

The deadline to submit your online tax return for 2015/16 is no later than midnight on 31 January 2017.

Here are the 5 steps necessary to complete self-assessment on time.

1. Information you need

You'll need your most up to date records at hand, including:

- business expenses
- PAYE records (if applicable)
- VAT records (if applicable)
- personal income
- allowable expenses.

2. Completing the form

Access the HMRC self-assessment page on the site and complete the form.

Speak to us if you have any problems filling in your form.

3. Your tax bill

HMRC will calculate and send you the amount of tax due.

All tax for the 2015/16 tax year needs to be paid by 31 January 2017.

If your tax bill is more than £1,000 you may need to make an advance payment (a payment on account) towards your 2016/17 bill by 31 January 2017.

There is a second payment on account deadline on 31 July 2017.

4. Payment

There are several ways to pay your tax bill, including:

- credit or debit card
- telephone
- post
- online banking.

5. Penalties

A penalty of £100 is charged if a return is up to 3 months late. Penalties will increase if the return is even later or if payment is late.

Payments by post or direct debit will take up to 3 working days.

We can assist you in completing your self-assessment tax return on time.

Tax and finance changes for 2017

A number of tax and finance changes are set to take place in 2017.

It is important to start planning ahead of time so that you take advantage of any opportunities available.

Some of the changes are in the process of being legislated through parliament and may be subject to change.

Salary sacrifice schemes

Income tax and employer national insurance contributions advantages of most salary sacrifice schemes will be removed from 6 April 2017. Pensions, pensions advice, childcare and ultra low emission vehicles will be exempt from the new rules.

Corporation tax

From 1 April 2017, the rate of corporation tax will be cut to 19%.

Business rates

100% rate relief will be available to businesses in England that occupy a single property with a rateable value of £12,000 or less from 1 April 2017.

Auto-enrolment staging dates

Employers will continue the process of auto-enrolment in 2017.

Personal allowance

The personal allowance and the higher rate threshold will rise to £11,500 and £45,000 respectively from 6 April 2017. The higher rate threshold in Scotland will be £43,430.

ISA annual limit

The ISA annual allowance limit will increase from £15,240 to £20,000 from 6 April 2017.

Money purchase allowance

The money purchase allowance will be reduced from £10,000 to £4,000 from April 2017.

Domicile

From 6 April 2017, any person resident in the UK for more than 15 of the past 20 years will be deemed UK domiciled for tax purposes.

 *Talk to us about how these tax changes may affect you and your business.*

VAT flat rate scheme changes

Changes to the VAT flat rate scheme could have significant effects on the tax liability of small businesses that currently make use of the scheme.

The flat rate scheme simplifies the process of calculating how much VAT a business needs to pay or claim back from HMRC.

It introduces a fixed rate of VAT and businesses are allowed to keep the difference between what they charge customers and what they pay HMRC.

Currently there are different rates for different professions.

What is changing?

From April 2017, businesses with very low cost bases will be classed as "limited cost traders" if they spend:

- less than 2% of their VAT inclusive turnover on goods in an accounting period; or
- more than 2% of their VAT inclusive turnover but less than £1,000 a year.


Limited cost traders who participate in the flat rate scheme from April 2017 onwards will have a fixed rate of 16.5%.

This means that work sold for £120 with £20 of VAT will result in a flat rate VAT charge of £19.80.

Who will be affected?

The measure will increase the VAT bill of businesses that are labour-intensive but spend little on goods, such as IT contractors and consultants.

Businesses have time to comment on the draft legislation which was published on 5 December 2016.

 *Get in touch with our expert team for more technical advice and information.*