



# INSIDER

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# Heslops

Chartered Accountants

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## THOUSANDS FILE TAX RETURNS THROUGH SELF-ASSESSMENT OVER CHRISTMAS

**Thousands of taxpayers used the Christmas break to file tax returns for 2018/19 through self-assessment.**

Statistics from HMRC showed that 34,292 taxpayers submitted tax returns between Christmas Eve and Boxing Day.

Precisely 22,035 taxpayers filed on 24 December 2019, followed by 3,003 on Christmas Day and 9,254 on Boxing Day.

The number of people who submitted their papers to HMRC on Christmas Day 2019 increased by 387 on the previous year, when 2,616 people filed their returns.

The peak filing hour for submissions was between 12pm and 1pm on Boxing Day, when 946 tax returns were filed.

The number of taxpayers using Christmas Day or Boxing Day to submit their tax returns in 2019 increased from 11,061 in 2018 to 12,527 in 2019.

Angela MacDonald, director-general for customer services at HMRC, said:

“Whether they squeezed it in before tucking into a Christmas pudding, after the Queen’s Speech, or trying to grab a bargain during the festive sales, our online service was available to file tax returns at any time they wished.

“Customers had to file their tax returns online by 31 January to avoid any unnecessary penalties. Any tax due was also payable by 31 January.”

Around 11 million tax returns were filed before the midnight deadline for 2018/19 came and went on 31 January 2020.

[👉 Speak to us about tax returns.](#)

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## REPORT SPARES TAXPAYERS FROM LAST MONTH’S LOAN CHARGE DEADLINE

**An eagerly anticipated report into the controversial loan charge has provided respite for thousands of people.**

The Government revealed a string of concessions to lessen the severity of the policy, which seriously distressed those affected.

Up to 50,000 people were paid through so-called disguised remuneration schemes dating back to 1999.

Prior to the publication of the report before Christmas, more than 8,000 of those had already paid backdated taxes to HMRC worth around £2 billion.

Those who had not declared any untaxed income or settled any liabilities had faced a midnight deadline on 31 January 2020.

But the loan charge no longer applies to anyone who entered into disguised remuneration schemes before 9 December 2010.

The loan charge will also not affect those who declared they had made use of a scheme in a previous tax year before the policy took effect.

Prior to last month’s self-assessment deadline, those affected by the loan charge could elect to evenly spread backdated taxes across three tax years.

The first instalment was due before the 2018/19 deadline for tax returns, while the second and third instalments are due ahead of the self-assessment deadlines for 2019/20 and 2020/21.

The review into the loan charge was announced by Chancellor Sajid Javid in September 2019, but the findings were put on hold following the decision to call a general election.

[👉 Get in touch to discuss the loan charge.](#)

## EMPLOYERS TO PICK UP THE BILL FOR 6.2% NATIONAL LIVING WAGE INCREASE?

**The hourly national living wage rate for over-25s will increase from £8.21 to £8.72 for 2020/21.**

The Low Pay Commission published recommendations for the new rates, which kick in from 1 April 2020.

The national living wage is the Government's minimum wage for over-25s. The minimum wage for under-25s will also rise.

Workers aged between 21 and 24 will get £8.20 an hour, while staff aged 18 to 20 will see their hourly rate rise to £6.45.

Under-18s will be paid at least £4.55 an hour – up from £4.35, with apprentices being paid at least £4.15 an hour.

The new Government claims the changes will put an extra £930 a year in the pockets of national living wage staff that are over the age of 25 and work 35 hours a week.

Chancellor Sajid Javid said:

“This latest rise will mean that since we introduced the national living wage in 2016, the lowest paid will have had a wage increase of more than £3,600.

“We want to do more to level up and tackle the cost of living, which is why the living wage will increase further to £10.50 [an hour] by 2024 on current forecasts.”

Business groups warned of cashflow disruption to smaller employers, while calling on the Government to deliver tax cuts from elsewhere in next month's Budget.

Craig Beaumont, director of external affairs at the Federation of Small Businesses, said:

“This Government has promised a reduction in the jobs tax through an increase in the employment allowance.

“With a national living wage increase of this size now on the horizon, it's critical that it delivers this swiftly.”

The British Chambers of Commerce (BCC) warned of fresh cashflow problems as the planned increase is four times the rate of inflation, which was 1.5% at the turn of the year.

Hannah Essex, co-executive director at the BCC, added:

“Raising wage floors by more than double the rate of inflation will pile further pressure on cashflow and eat into training and investment budgets. For this policy to be sustainable, the Government must offset these costs by reducing others.”

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## CHRISTMAS FAILS TO PREVENT RETAILERS FROM 'WORST YEAR ON RECORD'

**Struggling retailers experienced their worst year on record for annual sales in 2019, according to figures published by the British Retail Consortium (BRC).**

Total sales among the UK's beleaguered retailers decreased 0.1% last year and while that sounds fairly modest, it's a contraction compared to figures showing 1.2% growth in 2018.

The figures showed total sales in November and December – historically buoyant months for retailers – were particularly weak, falling by 0.9% year-on-year.

The period took into account the impact of sales from Black Friday 2019, which was bigger than Christmas for sales of non-food items.

Black Friday, officially later than usual on 29 November 2019, boosted total retail sales in December by 1.9% and distorted the overall retail statistics for the year.

To put the statistics into context, the BRC's figures exclude some online retailers – including Amazon – which account for around 20% of all online sales.

Helen Dickinson, chief executive at the BRC, said:

“2019 was the worst year on record and the first year to show an overall decline in retail sales.

“This was also reflected in the company voluntary arrangements, shop closures and job losses that the industry suffered in 2019.”

High-street retailers continued to struggle last year, particularly with paying rents and other overheads such as rising minimum wage and business rates.

Growing dominance from online firms also took its toll on several high-profile operators last year, with Mothercare UK and Toys 'R' Us among those to enter administration.

Dickinson added:

“There are many ongoing challenges for retailers – to drive up productivity, continue to raise wages, improve recyclability of products and cut waste.

“It is essential the new Government makes good on its promise to review and then reform the broken business rates system, which sees retail pay 25% of all business rates, while accounting for 5% of the economy.”

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