



Nurturing Successful Businesses

Self Assessment Tax Return Guide

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SELF ASSESSMENT - THE BASICS

For an individual taxpayer, there are a number of situations when the preparation and submission of a self assessment tax return to HMRC for a tax year becomes an annual requirement :

- a) *When you become self employed or commence a self employment business*
- b) *When you have other income in excess of £2,500 e.g. rental income*
- c) *When you have income in excess of £10,000 from untaxed savings, investments or dividends*
- d) *When you dispose of an asset such as a property, shares etc.*
- e) *When you become a company director*
- f) *When you have foreign earnings or foreign income*
- g) *Where you are non-UK resident but with UK income*
- h) *When your income is in excess of £100,000*
- i) *When you or your partner's income is in excess of £50,000 and you claimed child benefit*
- j) *When you have made personal pension contributions and need to reclaim tax as a higher or additional rate taxpayer*

Bearing in mind that penalties apply where taxpayers do not notify relevant changes in tax status or submit self assessment returns to HMRC either accurately or on time. In this guide we have set out many of the notifiable issues and associated deadlines under the self assessment regime.

Where we are involved in assisting clients with their requirements, our overall aim is to ensure that all deadlines for submissions, payments on account etc. are :

- met in good time
- handled with the minimum amount of stress
- planned for to give the most time for the taxpayer to organise their resources and affairs ahead of a deadline

Obviously where you have a more complex personal situation, various additional registrations, nominations for specific reliefs, detailed calculations etc. may be necessary as well.



Damian Connolly FCCA
Managing Director

SELF ASSESSMENT - KEY DATES AND DUTIES

- End of the tax year
5th April each year
- Deadline for registering to submit a self assessment tax return
5th October following the end of the tax year
- Deadline for registering for Self employment
5th October following the end of the first tax year when you started your business
- (Latest) deadline for registering for HMRC online services for tax payer AND Sakura
1st December following the end of your first tax year of registration
- Deadline for **first** income tax payment on account to be paid to HMRC
31st January PRIOR to the end of the tax year
- Deadline for **second** Income tax payment on account to be paid to HMRC
31st July AFTER the end of the tax year
- Deadline for submission of Self Assessment tax return to HMRC each year
31st January AFTER the end of the tax year
- Deadline for **FINAL** Income tax payment to be paid to HMRC (along with the tax return)
31st January AFTER the end of the tax year

SELF ASSESSMENT TAX RETURN SERVICE

WHY?

- 1 'Peace of mind' i.e. we take on the responsibility for the administrative/technical work and eliminate any stress associated with delayed or late submission
- 2 Obtain advice and/or assistance with appropriate registration(s) for self assessment, self employment etc.
- 3 Acting as registered agent on your behalf with HMRC, enables us to liaise directly with HMRC and/or receive copies of all correspondence
- 4 Avoid incurring late filing penalties or interest as a result of late submission of tax returns
- 5 Assistance with liaising with HMRC and minimising penalties/interest where there is difficulty with payment of tax liability by the appropriate deadline
- 6 Proactively manage your personal cashflow, through claiming reductions in future payments on account where appropriate, or offsetting liabilities below £3,000 by collecting against income earned in the following tax year

SELF ASSESSMENT TAX RETURN SERVICE

BENEFITS

- 1 Enables you to retain focus on your business or investment activities, rather than trying to collect paperwork and manage HMRC deadlines
- 2 Early completion of self assessment tax return work, provides the maximum amount of time to prepare for the tax payment ahead of the payment deadline(s)
- 3 As above, early completion may allow for specific tax mitigation techniques to be applied to reduce the tax liability for a tax year
- 4 Provide payment reminders and payment information ahead of the relevant HMRC deadlines
- 5 Allows us to provide on your behalf any supporting accountant reference letters, where necessary i.e. for mortgages and tenancies
- 6 Enables more complex tax planning advice to be accessed for more complex transactions or personal circumstances

SELF ASSESSMENT SERVICE

Assist with the registration process(es) in respect of self assessment

Register as agent with HMRC on your behalf (allowing us to liaise with HMRC directly)

Preparation of a bespoke client checklist for self assessment purposes and other potential tax planning issues in the future

Post tax year-end meeting to review current circumstances, discuss changes in activities or personal situation from prior year or issues that are likely to impact on upcoming tax year

Obtain and collate all relevant documentation, explanations and/or other relevant background information necessary to support the figures included within the tax return

Preparation of detailed profit & loss calculations for self employment or rental income, identifying deductible expenses and highlighting changes impacting on taxable income

Preparation of appropriate schedules for dividends, interest, foreign earnings, disposals of assets etc.

Review and/or calculate the amounts of any payments on account (POA) for July and January each year

Submit, where necessary, any claims for the amendment of payments on account (POA) for a tax year

Submission of draft self assessment tax return for review and approval prior to submission to HMRC

Reminder service with HMRC payment amounts and references ahead of July and January deadlines

Provision of advice around accessing HMRC's 'Time to Pay' arrangements where there are difficulties in making the tax payment(s) on time

Preparation of relevant accountant's reference letters for third parties where necessary e.g. for mortgages, tenancies etc.

Completion of the registration with HMRC of self employment income

Completion of the notification of cessation of self employment income with HMRC

Provision of HMRC tax investigation protection service

Consideration or review of nominations/registrations for specific reliefs, to determine ongoing validity

Review of Principal Private Residence (PPR) nomination, where appropriate, and/or issue of nomination letter to HMRC

Preparation of additional PRR calculations on disposal of private property

Initial outline briefing on technical tax issue

Initial outline briefing on tax planning structure(s)

Other detailed tax consultancy, tax planning and advice

OTHER RELATED SERVICES

- **Tax Investigation Protection Service**
- **Tax planning and Tax Mitigation Service**

WHAT'S NEXT



Should you decide to take the next step and become one of our self assessment clients, we aim to ensure that the process is as simple as possible:

- We will forward a welcome pack outlining the documentation and information we are required to obtain from new clients at the outset, as well as what to expect from us as one of our clients
- We will obtain confirmation of the identity of each officer and/or shareholder from you e.g. copy passport and recent utility bill/bank statement
- We obtain completed and/or signed copies of our letter of engagement and new client information sheet from you
- We 'fast track' the transfer of paperwork and information from your existing accountant (where appropriate), to ensure you are 'up and running' as quickly as possible
- We will arrange to act as your 'registered agent' with HMRC to enable us to liaise directly with them on any issues that may arise
- We will forward a self assessment checklist to ensure that all of the relevant information and financial documents can be identified and then provided to us, to ensure your tax return can be prepared as simply and efficiently as possible

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