

# Self-Assessment

Personal Tax Factsheet | [www.rousepartners.co.uk/factsheets](http://www.rousepartners.co.uk/factsheets)



An overview of  
the latest changes and  
developments.

  
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Chartered Accountants



# Personal tax: Self assessment

Under the self assessment regime an individual is responsible for ensuring that their tax liability is calculated and any tax owing is paid on time.

If you would like to discuss how we can assist you, please contact us on 01494 675321 or by email at [info@rousepartners.co.uk](mailto:info@rousepartners.co.uk)

## The self assessment cycle

Tax returns are issued shortly after the end of the fiscal year. The fiscal year runs from 6 April to the following 5 April (thanks to switch from the Julian to the Gregorian calendar in 1752), so 2019/20 runs from 6 April 2019 to 5 April 2020. Tax returns are issued to all those whom HMRC are aware need a return including all those who are self-employed or company directors. Those individuals who complete returns online are sent a notice advising them that a tax return is due. If a taxpayer is not issued with a tax return but has tax due they should notify HMRC who may then issue a return.

A taxpayer has normally been required to file his tax return by 31 January following the end of the fiscal year. The 2019/20 return must be filed by 31 October 2020 if submitted in 'paper' format. Returns submitted after this date must be filed online otherwise penalties will apply.

## Penalties

Late filing penalties apply for personal tax returns as follows:

- ▶ £100\* penalty immediately after the due date for filing (even if there is no tax to pay or the tax due has already been paid)

\* The full penalty of £100 will always be due if your return is filed late even if there is no tax outstanding. Generally if filing by 'paper' the deadline is 31 October and if filing online the deadline is 31 January.

Additional penalties can be charged as follows:

- ▶ over 3 months late – a £10 daily penalty up to a maximum of £900
- ▶ over 6 months late – an additional £300 or 5% of the tax due if higher
- ▶ over 12 months late – a further £300 or a further 5% of the tax due if higher. In particularly serious cases there is a penalty of up to 100% of the tax due.

## Calculating the tax liability and 'coding out' an underpayment

The taxpayer does have the option to ask HMRC to compute their tax liability in advance of the tax being due in which case the return must be completed and filed by 31 October following the fiscal year. This is also the statutory deadline for making a return where you require HMRC to collect any underpayment of tax through your tax code, known as 'coding out'. However if you file your return online HMRC will extend this to 30 December. Whether you or HMRC calculate the tax liability there will be only one assessment covering all your tax liabilities for the tax year.

## Changes to the tax return

### Corrections/Amendments

HMRC may correct a self assessment within nine months of the return being filed in order to correct any obvious errors or mistakes in the return

An individual may, by notice to HMRC, amend their self assessment at any time within 12 months of the filing date.

### Enquiries

HMRC may enquire into any return by giving written notice. In most cases the time limit for HMRC is within 12 months following the filing date.

If HMRC does not enquire into a return, it will be final and conclusive unless the taxpayer makes an overpayment relief claim or HMRC makes a discovery.

It should be emphasised that HMRC cannot query any entry on a tax return without starting an enquiry. The main purpose of an enquiry is to identify any errors on, or omissions from, a tax return which result in an understatement of tax due. Please note however that the opening of an enquiry does not mean that a return is incorrect.

If there is an enquiry, we will also receive a letter from HMRC which will detail the information regarded as necessary by them to check the return. If such an eventuality arises we will contact you to discuss the contents of the letter.

## Keeping records

HMRC wants to ensure that underlying records to the return exist if they decide to enquire into the return.

Records are required of income, expenditure and reliefs claimed. For most types of income this means keeping the documentation given to the taxpayer by the person making the payment. If expenses are claimed records are required to support the claim.

## Checklist of books and records required for HMRC enquiry

### Employees and Directors

- ▶ Details of payments made for business expenses (eg receipts, credit card statements)
- ▶ Share options awarded or exercised
- ▶ Deductions and reliefs

Documents you have signed or which have been provided to you by someone else:

- ▶ Interest and dividends
- ▶ Tax deduction certificates
- ▶ Dividend vouchers
- ▶ Gift aid payments
- ▶ Personal pension plan certificates.

Personal financial records which support any claims based on amounts paid e.g. certificates of interest paid.

## Business

- ▶ Invoices, bank statements and paying-in slips
- ▶ Invoices for purchases and other expenses
- ▶ Details of personal drawings from cash and bank receipts

### How we can help

We can prepare your tax return on your behalf and advise on the appropriate tax payments to make.

If there is an enquiry into your tax return, we will assist you in answering any queries HMRC may have. Please do contact us on 01494 675321 or by email at [info@rousepartners.co.uk](mailto:info@rousepartners.co.uk) for help.



# Trusted advice, *imaginative solutions.*

It's the old adage that all accountants are the same, but ask yourself this; what kind of service would most add value to your personal or business position? In our opinion, the quality of advice and service is what separates a good accountant from a great one. This is where Rouse Partners can make a difference for you.

Our award-winning team make it their business to get to know you and your specific needs. Whether your goal is to grow your business, increase your personal wealth or improve your work-life balance, by understanding your challenges, we will address them together.

We also know how important it is for you to have a team that you can rely on for timely advice and reassurance. At Rouse, our people are our most important asset and we will select team members who offer an optimum mix of experience, specialism and knowhow. From your Partner, to your Tax Advisor, each team member will be accessible to you or your team and be proactive in seeking solutions.

At the heart of our way of working is a determination to think differently, to challenge the 'status quo' and to ask 'what if?'. Whether you are facing a complex tax, accounting or management situation, we are ready to find a solution.

Contact us today to discuss how we can support your personal or business tax needs:

t: 01494 675321

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