

Personal tax services

Introduction

At Thomson Snell & Passmore our trust and tax team can assist you with the compliance issues surrounding personal tax affairs.

What are the issues?

- Knowing whether you fall into the criteria for self-assessment and registering for a tax return within the time limits.
- Legal requirements to keep adequate records.
- Calculation of income and capital gains tax liabilities.
- Preparation and submission of tax returns and paying tax on time.
- Capital gains tax reporting requirements for disposals of UK residential property after 6 April 2020.

Consequences of getting it wrong

Failure to notify chargeability will trigger a penalty that is based on the amount of net tax due but unpaid at 31 January following the tax year for which the liability arises. So, even if you fail to notify chargeability by 5 October, there will be no penalty payable if all tax is paid in full by the following 31 January.

Failure to keep adequate records means that a fine of up to £3,000 can be levied for each year of non-compliance.

Automatic penalties of £100 will be charged if:

- a paper tax return is submitted after 31 October; or

- the tax return is filed electronically after 31 January.

The filing obligation is satisfied by the first Tax Return received by HMRC. Consequently the penalty for the late submission of a paper Tax Return cannot be avoided by subsequently filing the Tax Return online.

Additional penalties may be charged if there is further delay in submitting your Tax Return.

Interest will be charged on tax paid late. A surcharge (currently 5%) is levied on any tax underpaid by 28 February after the tax year and a further (currently 5%) surcharge if it is still outstanding by 31 July following.

Where a capital gains tax return for disposals of UK residential property (and non-residential property by non-residents) is not filed within 60 days of the completion date an automatic late filing penalty of £100 will apply. If the return is more than three months late, daily penalties can apply and then fixed £300 penalties at 6 months and 9 months, in the same fashion as apply for late self-assessment returns. In addition, interest and surcharges will be levied on capital gains tax paid late.

How can we help?

- Provide advice on record keeping.
- Advise on whether self-assessment tax returns are due.
- Prepare annual tax returns and advise you as to the tax liabilities arising and due dates for payment.
- Assist with enquiries raised by HMRC.
- Provide capital gains tax advice.

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- Prepare capital gains tax calculations and submit the online submission in relation to disposals of UK property.
- Assist with declarations on the worldwide disclosure facility and other specific disclosure facilities put in place by HMRC.

Points to note

You are legally responsible for making a correct return in respect of your annual tax liability, and for payment of tax on time. It is essential that we, as your agents, are supplied with all relevant information to assist you with your obligations.

To enable us to prepare your tax return, you will be responsible for providing all the information and documentation which we require for this purpose and all relevant data should be made available to us as soon as possible after the end of the tax year, but always by 30 September following the end of the tax year or whatever date we may specify from time to time. Earlier deadlines apply to capital gains tax disposals of UK property, given the 60 day window to file and pay tax: in that case please contact us as early in the process as possible.

If we ask you for information to complete the tax return and it is not provided within the timescale requested, so that the preparation and submission of the return is delayed, we accept no responsibility for any penalty or interest that may arise.

For new clients there is often extra work to do in the first year of our involvement, especially if your tax affairs are not up to date. We will discuss your position with you at the outset.

For more help or information

Completing a tax return can be complicated. For clear, practical advice about your personal tax affairs please contact:



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