



NEWSLETTER

SPRING 2010

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| <p>Some or all of the following items may be of importance to you.</p> | <p>MAKE YOUR VAT DUE MORE MANAGEABLE</p> <p>There are a few tactics that can be used to defer payment of your VAT which may help improve cashflow.</p> <p>The main one is to use a cash accounting scheme which defers the date that VAT becomes due until you receive payment of your invoice. The only downside to this is that you can only reclaim VAT on purchases once you have paid for them.</p> <p>If you feel this may be of help, then please call us to discuss this and other ways we can be of assistance.</p> |
| <p>HMRC PAYMENT SUPPORT SERVICE</p> <p>Please remember HMRC now have a dedicated business support service for businesses and individuals finding it difficult to pay their tax bills.</p> | <p>PAYE – BE AWARE OF THE NEW PENALTIES</p> <p>HMRC have issued new penalty guidelines for late payment of PAYE which will apply to the tax year 2010/11 onwards. Therefore it will affect payments due from May 2010 onwards. The new rules will affect all employers and contractors who have to make PAYE payments to HMRC. This will also affect those who use contractors under the CIS scheme.</p> <p>To avoid late payment charges you need to ensure that cheque payments are made by 19th of each month. The new rules will apply to both employer and employee NICs that are due.</p> <p>From May 2010, you may have to pay a penalty if more than one of the in-year PAYE payments due is late in any tax year or any payment is very late. HMRC will work out the penalties as a proportion of the amount that is late. The percentage they use will get bigger depending on how often you are late.</p> <p>You may have to pay a penalty of 5% of any amount that is late if you still have not paid after six months, and a further penalty of 5% if you still have not paid after 12 months. The rules are quite severe as even if you are only a little bit late you may have to pay a penalty. However there is a glimmer of hope as you will not have to pay a penalty if you are only late once in the tax year (unless you are more than six months late) or you have a reasonable excuse.</p> <p>If you are finding it difficult to pay the PAYE due, please contact us as we can speak to HMRC on your behalf and agree a time to pay arrangement. At this point HMRC should not charge you more penalties. This will apply from the date HMRC are approached about entering into an agreement, provided you keep to it or HMRC agree to change it (you may still have to pay penalties relating to any late payments that occurred before HMRC were approached). Also, any penalty that you do have to pay, may be included within the agreement.</p> <p>If you require further clarification or need us to negotiate a time to pay arrangement, please call us to discuss.</p> |
| <p>VAT – COMPULSORY ON-LINE FILING</p> <p>HM Revenue and Customs (HMRC) has updated its online service for VAT ahead of new rules which come into force in April. From 1 April 2010, businesses with an annual turnover of £100,000 or more (excluding VAT) and all businesses registering for VAT for the first time, regardless of their turnover, will have to file their returns and pay online.</p> | <p>YOUR JANUARY AND JULY SELF ASSESSMENT PAYMENTS ON ACCOUNT</p> <p><i>Don't forget that we may be able to reduce your payments on account and therefore help your cash-flow if you believe your business profits for that year are likely to be less or if the amount taxed at source is likely to be higher. Please contact us for further advice if you think this may apply to you.</i></p> |
| <p>Please call me to discuss anything in detail</p> <p>Jonathan Freeman FCCA Tel. 0116 2402240</p> | <p>PAYING YOUR SPOUSE</p> <p>There are some benefits to paying your spouse even a low salary from your business. If the amount you pay them is above the Lower Earnings Limit but below the Earnings Threshold it will not be subject to NI for either employee or employer. This means that although no NI is being paid a full basic state pension credit will be made. You would need to have a formal contract in place and payroll records would need to be kept. Other good news would be that you would get the full deduction for the salary against your profit. Of course, all of this only applies if your spouse is not employed elsewhere, is actually working for you and does not receive another income.</p> |
| <p><small>This newsletter is published for the information of clients. It provides only an overview of the regulations in force at the date of publication, and no action should be taken without consulting the detailed legislation or seeking professional advice. Therefore no responsibility for loss occasioned by any person acting or refraining from action as a result of the material contained in this newsletter can be accepted by the company.</small></p> | |

