

SELF ASSESSMENT

Self Assessment potentially affects any personal tax payer, although not all tax payers get a return.

Because of the mix of salary, dividends and expenses, the possibility of higher rate tax liabilities, etc, company directors are obliged to submit an annual Self Assessment return, drawing together all their income and allowances, tax paid at source, payments on account, etc.

The Self Assessment return also covers income outside of your company, eg previous employment, rental income, income from investments, capital gains. It is therefore important that we are provided with full details of these items. To do this we ask you to complete a brief questionnaire each year. The questionnaire is due to be sent back to us by 31 May annually.

Your Self Assessment return must be with HMRC by 31 January after the tax year, eg 31 January 2012 for the 2010/11 tax year where submitted electronically (which Garbetts do) – if submitting on paper then the deadline is 31 October.

HMRC have 12 months from the date of submission to check your return and raise any queries. For example 2010/11 returns submitted say 30/06/11, HMRC have until 30/06/12 to raise queries. This is a revision of the previous enquiry window, whereby HMRC had 12 months from the filing deadline date.

Under Self Assessment your tax is due for payment on 31 January after the end of the tax year. In some cases payments on account are also due for the next tax year. Payments on account are due where your tax liability, after deduction of tax paid at source, (a) exceeds £1,000 and (b) 20% of your total tax liability. Payments on account are due on 31 January and 31 July of the tax year, and are deducted from the payment due the following 31 January, eg for 2010/11

31 January 2011	1 st 2010/11 payment on account due }	If 2009/10 liability exceeds triggers
31 July 2011	2 nd 2010/11 payment on account due }	
31 January 2012	Balancing payment/refund 2010/11	
	1 st 2011/12 payment on account due }	If 2010/11 liability exceeds triggers
31 July 2012	2 nd 2011/12 payment on account due }	
31 January 2013	Balancing payment/refund 2011/12	
	1 st 2012/13 payment on account due, etc	

If a payment on account is triggered but not thought to be due then a claim to reduce can be made using form SA303, subject to interest charges if the claim to reduce is made in an excessive amount.

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