

# ABG<sup>®</sup>



30 City Road,  
London, EC1Y 2AB



0207 330 0000



[www.abgroup.co.uk](http://www.abgroup.co.uk)

## Gearing up for self-assessment







you or someone connected to you owns or controls.

Even if you do have to pay some more tax on additional income, however, it won't be difficult for us to manage as long as you've kept all the paperwork in good order.

Those with more complex financial situations, such as the owners of multiple businesses or serious property investors, may find completing a tax return more challenging, especially if they want to claim all the tax reliefs to which they're entitled.

Even so, at least these days, HMRC's electronic systems aren't the obstacle they once were.

**Destination digital**

While there are still too many IT problems and errors, the Revenue's systems have become generally more stable and the online filing process less confusing.

That's partly because of a commitment to stability and simplicity in digital policy in the past 12 or so years which has given the HMRC tax website time to mature and evolve rather than lurching from relaunch to relaunch.

Beyond that faint praise, there are benefits to completing your tax return digitally, too.

In the old days, completing a return, posting it off, waiting for a reply, resubmitting and so on, was time consuming. With online returns, feedback is usually instant and onscreen, meaning most errors are headed off before you hit 'submit'.

As digital becomes the norm, and the systems settle in, the proportion of returns filed online keeps growing. In 2017/18, more than 10 million tax returns were submitted online, representing 93.5% of the total.

Making Tax Digital, a government initiative aimed at getting individuals and businesses onto digital accounting systems for recording and reporting, rolled out phase one this year.

Under this new regime, VAT-registered firms with a turnover above £85,000 are obliged to keep digital accounts and file returns through approved software.

At some date in the next few years, but no earlier than 2021, digital returns for income and corporation tax will become mandatory for some businesses and landlords.

The aim is that – probably in the next decade – all taxpayers will be keeping digital records which interface seamlessly with government tax systems, perhaps making the self-assessment tax return a thing of the past.

**Deadlines and penalties**

Some people kid themselves that missing the deadline isn't such a big deal, or simply forget about it.

We never like to see clients pay more to the Revenue than is necessary, and easily-avoided fines are a particular frustration.

Remember, if you don't file by midnight on 31 January, you'll immediately be slapped with a £100 fixed penalty.

That applies even if the reason you've been putting off your return is because you don't think there's any tax to pay.

After three months with no return, you'll face penalties of £10 for each day after that second deadline – up to a maximum of £900.

After six months, then 12 months, the screw gets turned tighter and tighter with additional charges of 5% of the tax outstanding or £300, whichever is greater. There are also penalties in place for the late payment of tax.

Despite the constant reminders, despite the relative ease of the online process, and despite the willingness of accountants to support people through the process, 731,186 taxpayers missed the midnight deadline on 31 January 2019.

That equates to a frankly terrifying £73 million in day-one instant fines. As HMRC reported, though, some of the excuses for failing to file on time were rather entertaining. "I was just too busy," said one. "My first maid left, my second maid stole from me, and my third maid was very slow to learn."

We handle every aspect of self-assessment.

# ABG<sup>®</sup>



30 City Road,  
London, EC1Y 2AB



0207 330 0000 [www.abggroup.co.uk](http://www.abggroup.co.uk)



Aram Berlyn Gardner LLP is registered to carry out audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at [www.auditregister.org.uk](http://www.auditregister.org.uk) under reference number C006321677. Aram Berlyn Gardner LLP is not authorised under the Financial Services and Markets Act 2000 but we are able in certain circumstances to offer a limited range of investment services to clients because we are members of the Institute of Chartered Accountants in England and Wales. We can provide these investment services if they are an incidental part of the professional services we have been engaged to provide. Aram Berlyn Gardner LLP is a member of Euraudit with worldwide representation.

Aram Berlyn Gardner (AH) Limited is registered in England with the company number 9178155. ABG and Aram Berlyn Gardner are registered trademarks of Aram Berlyn Gardner LLP and trading names of Aram Berlyn Gardner LLP and Aram Berlyn Gardner (AH) Limited and both are regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities. ABG Corporate Finance LLP is authorised and regulated by the Financial Conduct Authority (FCA).

Important: This publication has been written for the general interest of our clients and contacts and is correct at the time of going to print. No responsibility for loss occasioned to any person acting or refraining from acting as a result of material in this publication can be accepted.

