



The benefits of filing your tax return early

There are many obvious benefits of filing your tax return early, yet a significant number of taxpayers still file after the deadline and seem happy to pay the late filing penalties and interest on unpaid tax. Also, a high number appear comfortable to wait and file at the last minute - so why should you file early?

For online tax returns there are only a couple of months left until the 31 January 2019 deadline (the deadline for paper returns is 31 October 2018). After this date the automatic late filing penalty of £100 applies. Also on 31 January 2019, you will need to settle any outstanding tax owed for 2017-18 and make a payment on account for 2018-19 (if applicable).

Self-assessment can be complicated, so to make it easier we recommend that you keep all the information and paperwork needed for it in one place. You will need details of everything you have earned over the tax year – for example income from employment, self-employment, income from property, and other income and gains such as interest received on savings or investment returns.

When claiming expenses don't overlook things such as subscriptions to professional organisations, the difference in mileage costs if your employer pays less than HMRC's approved rates, the difference in course fees and travel expenses if not fully reimbursed by your employer, cost of work uniforms and tools, cost of working at home and also the cost of equipment used in your job. In these cases you must have met the cost yourself and not been fully reimbursed by your employer. Every little helps!

A major bonus of filing early is that if you have overpaid tax you will get the money back sooner. Also, with early planning it is possible to properly process your tax information and review your tax position prior to filing rather than it being quickly rushed which may cause mistakes to be made. You will also have a better idea of what you owe and gives you more time to gather funds.

Even if you think you will have trouble paying the bill you should still file your return on time. Fines for late payment are a lot lower than fines for late filing.

If you intend to seek professional tax advice, it is also far more beneficial to hand in your tax records early in order to give your advisor time to research and plan. Then hopefully no opportunities will be missed and you will know in advance what your tax payments are likely to be for the next year.

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