

## **I'm too short to reach the post box.....**

The deadline of 31 January for filing your self-assessment tax return has now passed and for those who still haven't filed, the penalties are as follows:

- An initial £100 fixed penalty, which applies even if there is no tax to pay, or if the tax due is paid on time
- After 3 months, additional daily penalties of £10 per day, up to a maximum of £900
- After 6 months, a further penalty of 5% of the tax due or £300, whichever is greater
- After 12 months, another 5% or £300 charge, whichever is greater

It is possible to appeal to HMRC against a penalty received for filing a return late, not paying all the tax you owe, paying tax after the due date, filing an incorrect return or not being able to prove you have kept adequate records to back up your tax returns. Your penalty can be cancelled or amended but only if you have a reasonable excuse.

According to HMRC a reasonable excuse is normally something unexpected or outside your control that stopped you meeting a tax obligation, for example: your partner died shortly before the tax return or payment deadline, you had an unexpected stay in hospital that prevented you from dealing with your tax affairs, your computer or software failed just before or while you were preparing your online return, service issues with HMRC online services, a fire or flood prevented you from completing your tax return or postal delays that you couldn't have predicted. You must try to send your return or payment as soon as possible after your reasonable excuse is resolved.

HMRC have revealed some of the most bizarre excuses that they received last year which were obviously unsuccessful!

- My mother-in-law is a witch and put a curse on me
- I'm too short to reach the post box
- I was just too busy – my first maid left, my second maid stole from me, and my third maid was very slow to learn
- Our junior member of staff registered our client in self-assessment by mistake because they were not wearing their glasses
- My boiler had broken and my fingers were too cold to type

More 'normal' excuses that are still not accepted as reasonable include: you relied on someone else to send your return and they didn't; your cheque bounced or payment failed because you didn't have enough money; you found the HMRC online system too difficult to use or you didn't get a reminder from HMRC.

All in all, it is far easier and cheaper to avoid the penalties by submitting your tax return by the deadline date!

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