



Last chance for tax returns

There is still time to file your 2018-19 tax returns although the deadline is fast approaching - 31 January. Well done to those of you that have already done so, but for those who still need to file their 2019 return, it's time to get into action. If you file after 31 January, late filing penalties will be applied.

In an uncharacteristic display of humour, HMRC's press release published on 27 December was titled: "We've been Santa lot of Elf Assessments". Apparently, on Christmas Day and Boxing Day over 12,000 tax returns were filed online. To put this into context, HMRC are expecting over 11million returns to be filed for 2018-19.

Don't forget to pay your self-assessment tax

31 January is also the time when any underpayment of tax for 2018-19 – and any first payment on account for 2019-20 – are payable. If you are unsure how much tax you need to pay please contact your accountant as soon as possible as this is obviously a very busy time for them.

End of the 2019-20 tax year

Following fast on the heels of the tax return deadlines for 2018-19 is the end of the 2019-20 tax year.

We recommend that if you have significant business interests and/or personal income sources that you should consider your tax planning options before 5 April 2020. Once this date is passed, 99% of tax planning options for the current tax year will become ineffective.

The outlook for 2020-21

The first Budget of the new government will be presented on 11 March and this will no doubt set the tax scene for 2020-21.

Hopefully, the tax goal-posts will not be moved too far from their present position. During the election campaign the Conservatives did promise that they would not increase most taxes. However, it was suggested that the further planned reduction in corporation tax (from 19% to 17%) will not go ahead. We assume that the current 19% rate will therefore continue.

Happy New Year

Now that political uncertainties have been resolved, let's hope that business owners across the UK can look forward to the resolution of the numerous challenges that our exit from the EU will likely create. The conclusion of the withdrawal process on 31 January is just the start of the process. UK businesses will be keen to see the details of the negotiated trade agreement with the EU that is timed to conclude 31 December 2020.

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