



## **Are you and your business ready for 2021?**

We are fast approaching the end of 2020 and the end of the current tax year - 2020-21 will draw to a close 5 April 2021.

With the New Year come the challenges of further Covid-19 disruption, Brexit changes and the Budget due to be held in March. It's clear that the outlook for 2021 is changeable and hectic.

We are in the midst of a period of significant change in multiple areas that have an impact on our financial affairs. In our opinion, there has never been a more crucial time for serious planning. In particular:

### **Brexit**

Is your business up to speed with all the changes coming into effect on 1 January due to Brexit? Complex customs procedures will apply and most small businesses will not have the resources to train and employ their own customs clearance staff - so you may have to consider using a customs agent or broker.

The way VAT is accounted for also changes. If your business is registered for VAT in the UK, you will need to consider how to treat VAT added to imports from the EU.

### **Self-assessment deadline**

All self-assessment taxpayers should have their tax returns for last year filed and be aware of tax payments due on or before 31 January 2021. This includes your first payment on account for the 2020/21 tax period and also the balancing payment due for the 2019/20 tax year.

If you deferred your second payment on account for the 2019/20 tax year due to the impact of Covid-19 and still haven't paid it, then this also needs to be paid by 31 January. There will be no interest or penalty as long as you pay it in full by this date.

### **Tax planning**

Have you taken advantage of a year-end tax planning review? Many of the opportunities to reduce your annual tax bills need to be actioned before the end of the tax year - 5 April 2021.

### **Capital Gains Tax & Inheritance Tax**

Do you need to address your capital gains tax and inheritance tax position for 2020-21? Again, action needs to be taken before the end of the tax year.

**Tax band triggers**

If you have significant business interests and/or personal income sources that are approaching or exceeding the higher rate tax band triggers, and you have not yet examined opportunities to reduce your liabilities, contact your accountant - the clock is ticking.

Although this may give you food for thought over the festive season, planning for the New Year could make your 2021 less stressful and hopefully a lot more successful!

*Published in the Wigan Observer –22<sup>nd</sup> December 2020*