

Happy New Tax Year

Like so many of the regulations that govern our lives, the legislative processes underpinning these rules are anachronisms – things that belong to the past.

For example, the last tax year ended on 5th April. The reason that our tax year ends on this obscure date started in 1582 when Pope Gregory ordered a change of calendar from the version named after Julius Caesar – the Julian calendar. The British did not make this change in 1582, which the rest of Europe had adopted, and this meant that by 1752 Great Britain was out of sync with Europe by 11 days.

Until 1752, the tax year in Great Britain started on 25th March. To protect its revenue when the change to align with Europe was made, the Treasury extended the tax year to 4th April, the following tax year started on 5th April. This was the position until a mis-match in leap years occurred in 1800 when the Treasury moved the tax year one more day to end 5th April, the current tax year end date.

Apart from these quirks, the UK tax code is also one of the largest and complex in global terms. HMRC do offer copious notes on the GOV.UK website that explain the numerous reliefs and allowances that you may be able to claim in order to legitimately reduce your tax footprint. However, this would involve a degree of dedicated research the equivalent of a full-time job.

Which is why, if you answer yes to any of the following criteria, you should start thinking about tax planning opportunities for 2022-23:

- Are you setting up, running, or selling a business?
- Do you have significant earnings?
- Do you have personal wealth/assets in excess of £325,000?
- Do you have assets you are about to sell that would be considered a chargeable gain?
- Are you required to submit a self-assessment tax return?



Everyone's personal financial arrangements are to some extent unique, which is why there is no one-fit solution. If you have concerns about your tax position for 2022-23, contact your accountant or tax adviser who can run through your specific options.

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