

Last chance to consider tax planning options

In just over a month's time - 5 April - the 2022-23 tax year expires. After this date many of the options to utilise allowances and claim reliefs to reduce tax will disappear.

There are a number of reliefs to consider, and the list below is by no means exhaustive.

Income tax

- If you and your married/civil partner are basic rate taxpayers and one of you has not earned enough to cover their basic Income Tax personal allowance (£12,570), it may be possible to transfer part of the unused allowance to their partner via the Marriage Allowance.
- If you receive child benefits, and the income of either parent is set to exceed £50,000 you will have to repay all, or part of the benefits received and file a self-assessment tax return.

Inheritance Tax

- Have you utilised the various annual, tax-free gifts exemptions?
- If your personal circumstances changed e.g. marriage, divorce, bereavement - have you changed your Will and/or considered the IHT consequences?
- Have you made any significant gifts in excess of tax-free limits? What are the IHT consequences?

Pension Contributions

- Have you reviewed your pension contributions for 2022-23? For 2023-24, If you need to defer contributions until after the end of this tax year, perhaps due to cash flow issues, don't forget that any unused relief for the tax year 2020-21 will be lost under the three-year carry back rule.

Capital Gains Tax

- Have you utilised your £12,570 tax-free allowance for Capital Gains Tax purposes?
- Could you transfer assets that you are about to sell into joint ownership with your spouse and divide the gains between you?

Dividends

- Do you have an opportunity to draw up to £2,000 tax-free from your company in dividends? There will be no additional tax to pay on the first £2,000 in dividends you take.

This list is the tip of the tax planning iceberg. Every tax payer's circumstances are unique and require individual attention and consideration. If your personal or business tax affairs are complex we would recommend that you speak to your accountant or a tax specialist before the deadline.



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