

## Do you have a side income?

If you do, then you are probably aware of the requirement to disclose this on your Self-Assessment tax return. It is important to record any side income accurately and HMRC is going to be able to see exactly how much income you receive when using a digital platform from 1 January 2024.

HMRC has new powers which means that anyone in the UK who makes money selling goods or services online will have their incomes recorded on the digital platform that they use and HMRC will have direct access to this.



Digital platforms include apps and websites which facilitate the provision of goods and services such as the provision of taxi and private hire services, food delivery services, freelance work, and the letting of short-term accommodation.

HMRC will have access to the digital records of businesses such as Airbnb, Fiverr, Upwork, Uber, Deliveroo, Etsy and other online businesses. The change is part of a wider plan for HMRC to keep a more accurate eye on people adding to their existing income through side profits or freelancing and they will be checking tax returns to ensure the figures tally with the records from the platforms themselves.

The power to enable these regulations to be made was introduced under section 349 of the Finance (No.2) Act 2023.

From 1 January 2025, certain UK digital platforms will be required to report information to HMRC about the income of sellers of goods and services on their platform. HMRC will then exchange the information with the other participating tax authorities for the jurisdictions where the sellers are tax resident. Under the Organisation for Economic Co-operation and Development (OECD) rules, digital platforms in participating jurisdictions will be required to provide a copy of the information to the taxpayer to help them comply with their tax obligations.

Please talk to your accountant if you have any questions about a side income and how to declare this on your tax return; they will have experience in helping clients comply with the complex HMRC disclosure requirements.

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