

## Why does the tax year start on April 6?

The idea that the tax year doesn't begin until we are a quarter of the way into the year is a somewhat perplexing concept for many. Accountants and taxpayers alike often wonder why this seemingly arbitrary date was chosen as the starting point for the fiscal year.

The origins of the April 6 tax year date back to the 18th century. Prior to 1752, the British Empire used the Julian calendar, which was 11 days behind the Gregorian calendar used in Europe. In 1752, the British Empire adopted the Gregorian calendar, necessitating an adjustment to the fiscal year.

To do this, 11 days were added to the calendar, moving the official start of the tax year from March 25 to April 6, taking into account leap years. This change aimed to align the tax year with the new calendar, ensuring a smoother transition for tax collection and administration.

You might then ask, why was it originally in March? Good question. Starting a new year on January 1 is relatively new and the early Romans had March as the first month of the year – which explains why September, October, November and December are so named (the Latin for 7 to 10 is septem, octo, novem and decem).

Over the centuries, the April 6 tax year has become deeply ingrained in the UK's financial and administrative systems. Changing the date would be a complex

and costly process, with significant implications for businesses, individuals, and the Government. As a result, it has been retained to maintain continuity and stability in the tax system.



From an accounting perspective, the April 6 tax year provides a logical break between financial periods. It allows accountants and businesses to close their books at the end of March and start fresh in April, making it easier to analyse financial performance and prepare for the new fiscal year. This consistency aids in tax planning and compliance, providing accountants with a structured framework for their work. It also highlights the importance of adapting to historical conventions and traditions, which continue to shape the modern financial landscape.