

RECORD 6.4 MILLION FILE TAX RETURNS ONLINE!

A record number of tax payers filed their self assessment tax returns online this year, HMRC recently revealed.

EMPLOYERS TAX CODE NUMBERS

You are probably well used to us telling you that your Code Number is wrong and that we will get it altered. Now the 2010/11 Notices of Coding are being issued, HMRC boast that if you have more than one job you should no longer suffer the usual mistakes where multiple codings are needed, as there is a new system which creates a single record for you.

The transition to this new system is creating big problems and HMRC admit that you may still receive a wrong Code Number - or even more than one notice for the same employment! They insist this is due to data mismatches rather than being an IT issue.

OFFSHORE BANK ACCOUNTS

The disclosure opportunity to tell HMRC about offshore bank accounts they held was only taken up by about 10,000 people. Now HMRC are saying that they are using data obtained from over 300 banks to go for those who did not disclose. They emphasise that there is still the chance to reduce the penalty level – by coming forward rather than waiting to be approached.

BUYING ON FOREIGN eBAY?

The value of goods that travellers can personally bring into the UK from a non-EU country, or receive through the post without needing to pay customs duty, has increased.

Travellers arriving in the UK by commercial sea or air transport from a non-EU country can now bring in up to £390 worth of goods for personal use (excluding tobacco and alcohol, which have separate allowances, and fuel) without paying customs duty or VAT. Those arriving by other means, including by private plane or boat for pleasure purposes, can bring in goods up to the value of £270.

Individuals who buy goods over the internet or by mail order from outside the EU will now only be charged customs duty if the value of the package is above £135, and the actual amount of duty due is over £9.

Although the duty limits have changed, import VAT is still due on packages valued at over £18. However, if a package is received as a 'gift', VAT will only now be charged if its value exceeds £40.

COMPANY EXPENSE DISPENSATIONS

A dispensation cuts down on employer's paperwork as it means you do not have to report benefits and expenses you pay your employees. HMRC are having another attempt to increase the number of dispensations, by offering an online application facility. HMRC say they are committed to granting P11D dispensations whenever they can. This basically requires them to be happy that no income tax charge could arise on the benefits or expenses covered.

One of the requirements is that the employee's expenses claim to the company is checked independently. HMRC now say that for a one-man company this condition is satisfied if, for example, an accountant reviews all the expenses claims when doing the bookkeeping or the VAT return.

NORMAL MINIMUM PENSION AGE TO RISE TO 55 FROM APRIL 2010

As part of the pension reforms announced by the Government in 2003, the normal minimum pension age will rise from 50 to 55 from 6 April 2010.

After that date, people will normally only be allowed to start receiving their pension payments from an occupational or personal pension scheme whether they are 55 or older. There are certain exceptions, for example, ill health.

Please contact us if you want to talk about your retirement.

MEDICAL PROFESSIONALS - TAX HEALTH PLAN

If you are a medical professional who has not declared all of your income or capital gains, there is a one-off chance to do so with a fixed penalty of 10% of the tax instead of the normal 30% to 100%. This scheme was originally announced as applying to those regulated by the GMC, but it is now being extended to dentists and indeed all health professionals.

It doesn't matter whether or not the undeclared income relates to your professional income. It also covers the situation where there is tax underpaid because you may feel that you have claimed too high a % of business use of your car.

You have to notify HMRC by 31 March 2010 of your intention to make a disclosure, and then actually do so by 30 June when the extra tax plus interest and the 10% penalty has to be paid.

**Please contact our Tax Manager
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discuss any of the issues raised.
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