

Tax Deadlines

30 June

Private company accounts for year to 30 September 2010 must reach Companies House.

5 July

Finalise PAYE settlement agreement for 2010/11. Return of rents paid to overseas landlords and tax deducted in 2010/11 must reach HMRC. Last day to submit protective tax credits claim for 2011/12 to back date to 6 April 2011.

6 July

File P11D/P9Ds and issue copies to employees. Report shares and share options awarded to employees in 2010/11 on the relevant form. Redundancy packages for 2010/11 including benefits in kind and exceeding £30,000 must be reported to HMRC.

7 July

Report non-cash benefits made to retired employees in 2010/11.

19 July

Pay PAYE/NIC for month to 5 July any class 1A NICs for 2010/11.

22 July

Electronic payments for PAYE/NIC and class 1A NIC must clear HMRC bank account.

31 July

Second instalment of income tax and class 2 NICs due for 2010/11. Unpaid tax for 2009/10 attracts 5% penalty. Renew child and working tax credit claims for 2011/12. Private company accounts for year to 31 October 2010 must reach Companies House.

2 August

Submit form P46(car) for quarter to 5 July, newly provided cars only.

19 August

PAYE/NICs payments to 5 August and CIS returns must reach HMRC.

19 September

PAYE/NICs payments to 5 Sept and CIS returns must reach HMRC.

1 October

National minimum wage rates increase.

5 October

Last day to notify HMRC of new source of income or gains for 2010/11 if not registered for self-assessment.

31 October

Deadline for submitting 2010/11 paper tax returns.

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New Penalties For Late Returns



File on time

For 2010/11 tax returns and later years, the penalties for submitting the return late will not be reduced even if all the tax due has been paid on time. What's more if you are more than three months late submitting your return the penalty will be charged on a daily basis at £10 per day, up to a maximum of £900.

If you are over 6 months late with your tax return you will be hit with an additional penalty calculated as the higher of: £300 and 5% of the tax due. The same penalty is imposed again if you are over 12 months late with the return. When a partnership tax return is submitted late those penalties apply to each partner in the partnership.

If you are also late in paying the correct amount of tax you will receive a penalty for paying the tax late. These penalties are calculated as 5% of the outstanding tax due at the following intervals: 30 days late, 6 months late, and 12 months late.

In view of these high penalties it is essential that we work with you to get your tax bill calculated in good time, so you can make the correct tax payments due and submit your tax return on time. Please send us the information to complete your accounts and tax return as soon as possible.

Recently Appointed Partner

We are pleased to welcome Paul Wagstaff as Business Development Partner. He brings experience from industry and commerce at Board level together with 25 years in practice as a Partner. His role at Dickinsons involves working with his existing clients and our team here to ensure all clients come through this recession with a brighter future.

Dickinsons Newsletter is written for the general interest of our clients and is not a substitute for professional advice. Please contact Dickinsons before taking any action.

Prove You Work At Home

If you want to claim a tax deduction for the cost of travelling from your home to a customer's site your business must be based at your home address. This can be tricky to prove, as the facts will vary for each business.

Say you are a self-employed electrician who carries out work at various domestic and commercial sites. You will need to keep your accounting records somewhere – probably at your home. You will also need to negotiate contracts and draw up quotes for each job, which may also be prepared at your home. As you operate in a dangerous environment you will have to carry public liability insurance, and that policy will name your business base – presumably your home address.

Tax Relief For Garden Office

If you need space for your new business a purpose-built garden building can be the solution. As the building is expected to last for some years the Tax Office will treat the cost as capital expenditure, and you will not get a deduction from your profits for that capital cost. This applies even if the building is theoretically moveable, such that it can be dismantled and reconstructed elsewhere if required.

However, you can get a tax deduction, known as a capital allowance, for other costs associated with the garden building such as:

- installing power to the building, including any electrical wiring, light fittings and space heaters.
- installing a cold water supply and the cost of any water-heating device.

Tax Efficient Cars



Choose low CO2

There are quite a few types of car which have CO2 emissions of no more than 110g/km; including certain models of the Mini Cooper, Toyota, Smart, and Fiat 500. If your company buys one of these low emissions cars new (not second hand), it can deduct the full cost against the company's profits in the year of purchase. Although the VAT paid on the car cannot be reclaimed.

Where the car is provided to one of the company's directors or employees, perhaps to be used by a member

All these factors applied in a recent case where the electrician proved his business was based at his home address, so the costs of travelling to his customers' sites were tax deductible.



Business@Home

If your travelling expenses are challenged by the Tax Inspector, you will also have to show that key parts of your business are carried out at your home address. Discuss with us what evidence you need to retain to show you really do work from home.

- office furniture or equipment used for the business.

If your business is VAT registered you can reclaim the VAT charged on the cost of acquiring and installing your garden building, and on the other costs listed above. However, if you use the flat rate VAT scheme there are restrictions on the VAT you can reclaim on these capital items, so check with us first.

Some local councils are keen to collect business rates where any part of a domestic property is used exclusively for business purposes. To avoid exclusive business use of your garden building make sure it also has some private use, perhaps to store sports equipment.

of their family, the director/employee will be taxed on 10% (13% for a diesel) of the list price of the car.

Say a Toyota IQ 1.0 (CO2 emissions: 99g/km) is provided to the director's daughter. It has list price of £10,299, so the director is taxed on a car benefit of £1029.90, (£10,299 x 10%) each year. If the director pays tax at 40%, he will pay tax of just £411.96 for that car.

The company can pay for all the servicing and insurance, with no extra tax charges, but it should not provide free road fuel as that will greatly increase the tax due. The company has to pay class 1A NICs of £142.13 per year, but that cost as well as all the servicing and insurance is tax deductible for the company.