

# HEWITSONS

## SELF ASSESSMENT



### What Is Self-Assessment?

Self-assessment transfers to the taxpayer the responsibility for ensuring you pay the correct Income and Capital Gains Tax. If you receive a self-assessment form you are required to complete your tax return by the fixed filing date, to pay the correct amount of tax due, and to submit to the HMRC any supplementary information, documents or accounts subsequently requested. It is also your responsibility to notify the HMRC if you start to receive a new source of untaxed income, make a capital gain or commence self employment.

### Penalties & Interest

Failure to submit your tax return or to pay the tax on time will lead to severe penalties:

- An immediate £100 penalty if the return is not submitted by 31 January.
- If you take more than a further 3 months to submit your return there will be a penalty of £10 per day up to a maximum of £900.
- If you take more than a further 6 months to submit your return there will be a penalty of whichever is the greater of £300 or 5% of the tax due.
- If you take more than a further 12 months to submit your return there will be a penalty of whichever is the greater of £300 or 5% of the tax due.

There are in addition penalties for paying the tax late.

- If you pay the tax 30 days late the penalty is 5% of the tax unpaid at that date.
- If you pay the tax 6 months late the penalty is a further 5% of the tax still unpaid.
- If you pay the tax 12 months late the penalty is a further 5% of the tax still unpaid.

- On top of this HM Revenue and Customs can charge interest on tax paid late.

### Spot Checks

In addition, the HMRC will carry out “spot checks” or audits at random and may demand further details. If any adjustments are required you will have to amend the assessment yourself and pay any further tax and interest due.

### Records

Records must be kept of all the information needed to make a correct and complete return and these must be stored for six years from the end of the relevant tax year.



## Allowances & Reliefs

It will be up to you to identify all allowances and reliefs to which you are entitled. Taxpayers over 65 may very well find that they have been paying too much tax. Let us calculate if you have paid too much or not enough tax.

## How Can Hewitsons Help?

We can complete or submit your tax returns or repayment claims for you, ensuring that the information you supply us with is submitted at the correct time. We will deal with any Capital Gains Tax calculations for you and negotiate with the HMRC if required.

This service is available to all individuals and also as a standard part of our trust management package in which we can deal with both the day to day administration of the trust and advise on any major changes.

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This document is written as an outline guide only and any action should not be based solely on the information given here. Appropriate professional advice should always be taken in specific instances.

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