



*Hazel Cooch FCCA*

Accounting and Tax Services

## Newsletter - November 2019

Hello and welcome to another issue of my mini newsletter.

### Budget news

This will be the first year since 1851 with no budget! The budget was due on 6th November, but obviously as there is now an election this has been cancelled. There is no date for the next budget yet.

**CANCELLED**

### Self-assessment tax

Due to an HMRC glitch some of the payments on account that should have been requested on 31/1/19 and 31/7/19 were not.

HMRC have confirmed they will not treat these as late and there will be no interest due, however they will expect the full amount to be paid by 31 January 2020 and this could, in some certain circumstances, mean taxpayers receiving much larger than expected demands for January.

*DON'T FORGET*

*Self assessment tax return is due by 31 January 2020*

Please note that, whilst HMRC do aim to issue reminders to file Tax Returns and statements to pay the tax due, that they consider it the taxpayers responsibility to check that they have complied. **Not receiving a reminder is not considered a reasonable excuse for late filing or payment and penalties can be considerable.**

*Next self assessment tax payment is due by 31 January 2020*

The filing deadline for tax returns if you wish any tax due to be collected through your tax code (which is subject to certain conditions) is 31 December 2019.

### Scams, Scams and more scams

Unfortunately the tax return busy period is also capitalised upon by the scammers. HMRC have recently issued more warnings for people to be very careful about communications purporting to be from HMRC.

Around 900,000 scams were reported to HMRC last year and over two thirds of these concerned bogus tax refunds. HMRC will NEVER contact you by phone/text or email to ask for bank or personal details. If you believe you are due a tax refund you need to log onto your government gateway account and request it from there. Other scams can be threatening calls asking for payment of a bogus tax bill, again HMRC will not call up demanding immediate payment.

Another scam that is increasing is mandate fraud, and losses to businesses reached nearly £100 million in 2018/19. This involves the fraudster posing as your supplier and asking you to change their bank payment details, usually by email and involving fake letterheads etc they can appear very plausible. Ways to help prevent this are to always confirm bank detail changes by phone or for new suppliers you could send a small test transaction and ask the supplier to confirm receipt.



## Residential property - reminders

### 1. CGT payments

Usually Capital Gains Tax (CGT) is paid on the normal due dates for self-assessment, however the last Finance Act changed this so that for disposals of **residential property** (eg second homes, buy-to-lets) after 6th April 2020 the tax will be due within 30 days. Note the disposal date for CGT is the date of exchange of contracts whilst the 30 days time to file and pay CGT runs from the completion date.

The tax calculated will be a best estimate as other factors in the tax year affecting the calculation may not yet be known, for example, a persons earnings may affect the tax rate. It will be treated as a payment on account and the final calculation and settlement will be done in the usual way with self-assessment.

### 2. Changes to reliefs on sale of Principal Private Residences

Any gain or profit made on the sale of your main home is usually exempt from tax. Often people may let out what was their main residence for part of the period of ownership and there are changes from April 2020 to two of the reliefs they may have been eligible for as follows:

- (a) Lettings relief - this would be applied if the property had been let for any time and could be cover up to £40,000 of gains. From April 2020 this will only be applicable if the owner was sharing the house with the tenants. (Note if you have more than one lodger at any one time then a part of your house is potentially liable for CGT).
- (b) Deemed occupation for the final period. If the property has been your PPR then it is also considered as your PPR for the last period regardless of the actual use. This final period of exemption is reducing from the current 18 months to just 9 months from April 2020.



## For employers:

### 1. RTI - December payments

Usually you must file on or before the date you pay your employees, however December may be an exception for many. If you pay your employees earlier than usual over the Christmas period, then you should report your normal payment date on your Full Payment Submission (FPS). This is because reporting an early payment could affect entitlements to benefits such as Universal Credit.

### 2. Auto enrollment - re-enrollment

The pensions regulator is starting to send out letters to all employers as all employers must re-enrol certain staff into the pension scheme every 3 years. Even if you have no such staff there is a re-declaration of compliance that must be submitted or you may be fined, so do not ignore these.

*Finally I would wish you a Merry Christmas and a Happy New Year.*

As always I welcome any comments and please do get in touch if I can help with anything mentioned above, or if

Email: [hazel@hac-accountant.co.uk](mailto:hazel@hac-accountant.co.uk)  
Phone: 01628-471426  
Mobile: 07939-590618  
Web: [www.hac-accountant.co.uk](http://www.hac-accountant.co.uk)

