



Hazel Cooch FCCA

Accounting and Tax Services

Newsletter - December 2015

Hello and welcome to the next issue of my mini newsletter.

Autumn statement

The autumn statement was presented at the end of last month and was mostly concerned with the spending and finances of the UK as a whole. There was another little surprise for landlords and second home owners though - a 3% increase in stamp duty for homes which are not your main residence. This takes effect from 6/4/16 although it is not yet clear how it will be implemented.

Auto-enrolment

Most larger employers are now in the new pension regime. From January 2016 the smaller employers will start to reach their staging dates - make sure you don't miss yours, and if you are an employee make sure you check what's being offered.

Tax planning

The Annual Investment Allowance drops to £200,000 from 1st January - this is prorata's so, for example, a business with a year ended 31st March would only be able to claim a maximum of £50,000 on expenditure from 1/1/16 to 31/3/16.

There are a lot of changes from next tax year - here are some of those most likely to affect you:

- 1 Dividends lose their associated tax credit and all amounts over the new £5,000 annual dividend allowance will be taxed. If you have dividends over £5000pa consider an inter-spouse gift if applicable.
- 2 For employers the employment allowance is raised to £3000 but will no longer apply to companies where the only employee is the director.
- 3 For BTL there will be no more wear & tear allowance so it may make sense to defer actual expenditure until after 5/4/16 if practical.
- 4 Also for BTL finance tax relief is being restricted from April 2017 so it may be worth considering putting any new property purchases into a Limited Company.
- 5 The amount of pension contributions will be reducing especially for higher earners so consider a pre 5th April lump sum if this applies.

Reminder - self-assessment deadline is 31 January 2016

If you are still due to file your 2015 return this must now be done online by the end of January. Remember there are automatic penalties of a minimum of £100 for returns filed late even if no tax is due.

That's all for now, as always I welcome any comments and please do get in touch if I can help with anything mentioned above, or if you have any other accounting or taxation queries.

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