

## Paper tax return deadline reminder

**The deadline to submit your self-assessment paper tax return for the 2016/17 tax year is 31 October 2017.**

All income received during the tax year running from 6 April to 5 April must be accounted for in your tax return.

To report your income, claim tax reliefs or any outstanding repayments, you need to complete the **SA100** form.

You might need to fill in more sections, known as 'supplementary pages', if you're reporting other types of income. These include:

- employees or company directors (SA102)
- self-employment (SA103S or SA103F)
- business partnerships (SA104S or SA104F)
- property income (SA105)
- foreign income or gains (SA106)
- capital gains (SA109).

If sending a tax return for a business partnership, trustee or non-resident company there are additional forms to complete. These are available on the HMRC website.

### What you need

In order to complete your paper tax return, you will need:

- forms P60, P45 and P11D
- business records
- profit and loss account
- bank statements
- personal pension contributions certificates
- gift aid donations.

## Calculating your bill

Once you've submitted your paper tax return by the deadline, HMRC will calculate the amount of tax you need to pay, as well as a payment on account for the 2017/18 tax year.

If you owe less than £3,000 tax for the 2016/17 tax year, HMRC can try to collect the remaining tax from your wages or pension from 6 April via your PAYE tax code, but only if the paper tax return is submitted by 31 October 2017.

 *We can help you with self-assessment.*

## Buy-to-let regulations fuel rent rises

**Landlords are increasing rent prices due to the recent introduction of buy-to-let tax regulations, according to a study.**

Estate agent Your Move analysed rental prices on around 20,000 properties and found the average rent in England and Wales rose by 3.1% in the past year to £874.

The rise in rental prices can be attributed to the recent tax changes affecting landlords, such as the mortgage interest relief and 3% stamp duty land tax surcharge.

Tax changes have also restricted the supply of new properties on the market, with a fall in housing stock levels pushing up rent prices.

Every region apart from the South West saw rental prices increase in the year to July 2017, with rents in the South West down 2.2% to an average of £667 per month.

Wales saw the biggest rise in rent over the same period, with prices up 4.3% to £595 per month.

Other areas to experience average monthly rental increases of more than 3% in the past 12 months include:

- ⦿ the South East – up 3.6% to £884
- ⦿ the North West – up 3.1% to £630.

Richard Waind, director of Your Move, said:

“We are now starting to see the real impact of the stamp duty revision, plus the additional tax changes which have hit landlords hard.

“The outcome has seen a decline in the number of rental properties on the market and this has had the effect of pushing up prices for tenants.”

 *Get in touch to discuss your tax obligations.*

## Sole traders exposed to cash crises

**Nearly half (41%) of self-employed people struggle to save any money each month, leaving them exposed to financial problems.**

Insurer LV= surveyed 9,495 self-employed workers and found one in three could not survive for more than three months if they lost their income.

Nearly two thirds (62%) of respondents said monthly bills eat up the majority of their wages.

Furthermore, sole traders are more likely to be hit by unexpected costs (33%), such as home maintenance and repairs, compared to the national average of 28%.

Justin Harper, head of protection policy at LV=, said:

“It’s often the case that self-employed people lack the safety net of an employer’s benefits, such as sick pay.

“This means they risk having to rely instead on state benefits, which can involve a lengthy application and wait with no guarantee of any support.”

## Income protection

28% of sole traders were concerned about not being able to work due to an accident and 29% were worried about becoming unwell.

In circumstances where you are unable to work, there are protection policies available to help cover your costs.

**Income protection** pays out a tax-free percentage of your earnings, usually between 50% and 70%, until retirement, death or your return to work.

If diagnosed with a long-term illness or disability, **critical illness cover** can pay you a tax-free lump sum to cover your expenses.

 *Talk to us about your personal finances.*

## Finance Bill 2017-19 round-up

**The government has published Finance Bill 2017-19, containing a number of changes that will affect both savers and investors.**

Many of the measures in the Bill were expected in April 2017 but were withdrawn due to the snap general election, which took place on 8 June 2017.

Most of them have now been reinstated with immediate effect, such as:

- ⦿ the reduction of the money purchase annual allowance from £10,000 to £4,000
- ⦿ abolishing permanent non-dom status so those living in the UK for years pay tax on the same basis as UK residents.

Mel Stride, financial secretary to the Treasury, said:

“These motions now pick up where we left off and legislate for the provisions that were introduced and withdrawn due to time constraints [caused by the decision to call a snap general election].”

## Further measures

There were other measures confirmed in the Bill, such as the annual dividend allowance being reduced from £5,000 to £2,000 from April 2018.

The pensions advice allowance will enable savers to access £500 from their pension savings tax-free for regulated financial advice. This can be done up to three times before the age of 55.

In relation to Making Tax Digital, businesses with turnover below the VAT registration threshold no longer have to keep digital records until at least April 2020.

Regulations on digital record keeping for VAT purposes will not take effect before 1 April 2019.

 *Contact us to discuss these measures in detail.*