THE 10 MOST COMMON SELF ASSESSMENT MISTAKES

The Self Assessment return is HMRC's process of collecting tax from self-employed people in the UK. Each year, self-employed people file a return summarising their profit from the previous tax year, and then they pay any tax that they owe.

The 10 most common Self Assessment mistakes are:

1 Failing to register in time

If you do not tell HMRC you need to complete a Self Assessment return they will not issue you with a Unique Taxpayer Reference (UTR) number. You need this number to complete your return.

NOTE: it can take weeks to received the UTR number so make sure you apply well in advance of the filing deadline to avoid any late-submission penalties.

2 Forgetting to submit the form

The process of completing the Self Assessment return online can take some time but make sure to complete the process and hit the 'Submit' button. This comes on the page after the calculation of any tax your owe or are owed.

NOTE: HMRC will confirm the submission by email immediately, so if in doubt, check your mailbox.

3 Missing income

You must declare all taxable income on your form; as well as earnings and pension payments.

NOTE: income includes bank account interest (even though it is not much) or rent from buy-to-let property.

4 Missing Paperwork

Make sure you've got all the necessary paperwork together, so that you can calculate important information like your business turnover and expenses. Ideally you'll have receipts for all your expenses.

NOTE: check your online bank statements instead to get accurate figures.

5 Failing to declare charity giving

If you have given money to charity, include it on your return as it could help reduce your tax bill.

NOTE: it may be an idea to diarise charity donations so you don't forget.

6 Forgetting pension contributions

Don't forget to include any extra pension contributions you may have made, as this could qualify for tax relief and reduce you overall bill.

NOTE: speak to your financial advisor to get your total contributions for the year.

7 Payments on account

HMRC may ask you to pay some of next year's bill upfront, which is called payment on Account. As well as your current tax bill, these payments are charged at the end of January and the end of July.

NOTE: this could result in your first January payment being 50% more than you were expecting.

8 Errors with expenses

If you are self-employed you can reduce your tax bill by claiming expenses such as the cost of equipment.

You may be given the option to enter your expenses as a single figure rather than breaking them down into separate costs, but you still need to calculate everything properly.

NOTE: go to this page on the HMRC website for further details.

9 Incorrect figures

It's easy to make a mistake when you're rushing to get your tax return in on time, so check through your figures carefully before you submit.

NOTE: If any of the figures on your return are incorrect, you have until the following 31st January to correct them and amend your return.

10 Forgetting to pay your tax

The deadline to pay any tax owed is 31st January so it would be beneficial to file your online return before this date. HMRC won't take the money automatically, so you need to make a payment. Luckily, there are several ways of doing this, including the quick and easy method of online bank transfer.

Late payment could result in a fine being charged on a daily basis.

NOTE: Go to this page on the HMRC website to see how to pay.

Updated Nov 2017

Key dates for Self Assessment for the upcoming 2016/17 tax return

Self Assessment tax year This is the period you are filing the tax return for.	6th April 2016 - 5th April 2017
Paper filing deadline:	31st October 2017
Online filing deadline:	31st January 2018

If you need assistance with your Self Assessment Return, contact us for more information and we can discuss your individual requirements going forward.

BOOKKEEPING4U
your business balanced

T: 01432 367787
E: mail@bookkeeping4u.biz
Bookkeeping4u
@bookkeeping44u

Office 10
Jubilee Building
Faraday Road
Hereford HR4 9UW

www.bookkeeping4u.biz