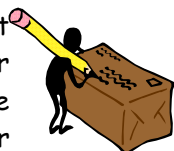


# NEWSLETTER - APRIL 2010

## 2009 Tax Returns

This January was our busiest ever, partially due to new clients arriving late, but also to clients of many years standing coming along with their late shoeboxes when they should have known better!!

While it's great to see names from the past reappearing year after year, could they please be persuaded to appear earlier!!



## 2010 Checklists

We are now acting for distributors in at least a dozen different companies so this year we will ensure that each one will have its own specific checklist - company paperwork does vary, so a generic list is no longer sensible and of course some direct selling companies are not involved with actual products which obviously excludes any "own use" considerations. Don't forget to ask for your checklist in advance of sending in your shoebox so you'll know exactly what to put in - this includes waiting for your P60 which your employer should give you with your April salary.

## 2010 Shoeboxes

Can we please ask for a lot of these to be sent in during the summer months so as to avoid another winter's crush! After all, if you think you are entitled to a tax refund, why on earth wait any longer than you have to?

On the other hand why risk late filing penalties, or being given little warning about tax bills coming up? Think early!



## 2010 Fees

The recession is still with us, so we are leaving our fees the same as last year and hope this will help you. We attach the usual "menu" as well as a standing order form for those who prefer to pay this way - we actually recommend that the easiest way is via your tax refunds, but of course not everyone will be entitled to this.

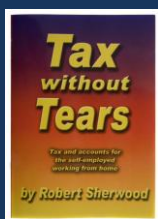
## DSL Changes

During last winter we took on board Diana Binks whose media, broadcasting and PR background we are using first to give us a bit of rebranding, and a much more dynamic website, and then to help us find more companies and opportunities to spread the DSL message "You build your business and let us look after the taxman". You'll be seeing or hearing a lot more of Diana as the years go by.



As some of you will have seen, Robert has published his book "Tax without Tears" aimed to help all self-employed people working from home, and soon we'll be launching our new online accounting software "SamsTax". Watch this space!

**Over £7.5 million  
in tax refunds**



**Book  
"Tax without Tears"**



**Accounting Software**



**Starter Kit  
(only £10)**

### Self-Employed National Insurance

Class 2 NI is an important issue for self-employed taxpayers as it protects their rights for state pension and state benefit purposes. You are required to pay it when you become self-employed, unless you apply for the small earnings exception, or are over pension age. Small earnings exception applies where the business is anticipated to generate a profit below the small earnings limit (£5,075 p.a. for 2010/11).

Class 1 NIC is payable on your employment earnings, and if your self-employed income is above the £5,075 threshold, both class 1 and class 2 are due.

NIC issues are particular to each taxpayer, so if you are unsure about your position, please contact us.

### Tax Credits

Ever since Tax Credits were introduced back in 2003, they have become an important source of income for many parents and lower paid workers. They have also become a misunderstood state benefit with many people not realising what they are required to do under the system. Getting something wrong can be expensive as the benefit can be stopped, or repayment requested. Should you require help with your tax credits claim, or are uncertain about whether or not to make one, please contact us.

### Tax Allowances for Cars - New Rules

For purchases since April 2009 new rules apply by introducing CO<sub>2</sub> emission rather than cost and business proportion as the basic test. Cars with CO<sub>2</sub> emissions above 160g/km will have a WDA of 10%, but if under, this rises to 20%. No maximum applies in either case.

For cars leased after April 2009, a CO<sub>2</sub> emissions test also applies. For emissions above 160g/km a 15% disallowance applies, if less no disallowance is imposed.

In summary old cars continue under the old rules, where a 20% WDA with a maximum claim of £3,000 applies, whilst new cars are subject to an emission test where no maximum allowance is imposed.

### VAT Online - Important Notes

As you are aware, VAT online is becoming compulsory for businesses that have a turnover of £100,000 or more.

This comes into effect with quarters beginning on 1<sup>st</sup> April 2010 onwards.

For our VAT clients, where we complete the VAT returns, we will be writing to you over the next couple of weeks to get the key information from you in order to get you registered online. Please complete the details and let us have it back as soon as possible so that this process can be done.

Once you are submitting your VAT returns online, you will also be required to pay HMRC online too. Details of where to pay your VAT can be found at [www.hmrc.gov.uk/payinghmrc/vat.htm](http://www.hmrc.gov.uk/payinghmrc/vat.htm)

Online VAT returns for all other businesses is being phased in over the next year, so it may be worthwhile registering for online submission as soon as possible.

Should you need help doing this, please contact our office for assistance or look at our website for a list of simple instructions to follow.

### PAYE/PAYE Payments

It's that time of year again when the P35 annual return needs to be completed for all businesses that have employees, including all limited companies. As the deadline is the 19<sup>th</sup> May 2010, and the documents need to be submitted online this year (which is compulsory), please contact us should you require any assistance with the production or submission of this document.

Please note that for the 2010/11 tax year and subsequent tax years, the Revenue will now be charging interest on any late PAYE payments made throughout the year, so please be aware of this. To ensure any payment that is due is made, it may be easier to make the payment online. Please see the following link to obtain the necessary bank details for doing this: [www.hmrc.gov.uk/payinghmrc/payee.htm](http://www.hmrc.gov.uk/payinghmrc/payee.htm).

### Main Tax Changes 2010/2011

The personal tax allowances are remaining the same as 2009/10, effectively a tax rise, but at least tax rates are unchanged too, including capital gains tax.

After the election anything may happen!

- ❖ Check our website for regular updates on tax & accounting
- ❖ Get your shoebox to us ASAP - ring now for your checklist
  - and get any tax refund early!
  - avoid any penalties for late filing!