

ACCOUNTANTS ARE BORING NUMBER CRUNCHERS, RIGHT?

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Self Assessment

The Self Assessment tax return deadlines have changed. If you do it over the internet (as we do) then it is still 31 January 2009 (for the 2008 return).

However, if you still file a paper return then the end of October is the latest that the Revenue will accept it. You have been warned! Talk to us if you need assistance or want to transfer to online filing.



Construction Industry - Contractors

If you're in the Construction industry, then you need to pay very careful attention to company and directors' personal tax affairs. We have become aware of contractors who have lost their gross status because their PAYE payments were **a day late!**

If you need help, just contact us but whatever you do – don't let it slip!

Welcome to the next instalment...

There's a host of changes to tell you about this month – not least of which the (current) outcome of the 10% tax band debacle that you will no doubt have heard all about since the 2008 Budget. However not all the changes we've included have been as widely publicised so have a look and if you have any questions about these changes just contact our office for further advice.

These are the most important changes that you need to know about, and as always please forward this to any friends and colleagues you think may be affected. Our view is that this is essential information that everyone needs to be aware of (and if you've received it this way – just email us to be added to our distribution list for future newsletters).

Sue & Nick

- your refreshingly different accountants.

Capital Allowances

You guessed it – there are changes to tax relief on equipment (capital allowances) including on motor cars.

Equipment, Plant and Machinery

Historically on equipment, plant and machinery, tax relief was spread over a number of years... the Budget has changed that.

Now expenditure of up to £50,000 in each year – gets 100% tax relief in year of purchase (but not on cars - for cars see below).

Expenditure over £50,000 reduces to 20% of the cost each year (reducing balance).

There is also a concept of 'long life assets' (those with a useful life of over 20 years) where the annual tax relief is reduced to 10% (reducing balance) of the cost.

Integral Equipment

Also tweaked, are the rules on claiming relief on equipment integral to a building (air con, lifts etc). If the cost of these exceeds the £50,000 limit then tax relief is at the lower 10% rate rather than the higher rate of 20%.

Enhanced relief is now available on energy saving equipment; which will always get 100% relief even if it exceeds the £50,000 threshold.

Cars – normal or low emission

Normal cars get tax relief on 20% of the cost each year.

Low emission cars get tax relief of 100% on the cost of cars emitting 110g/km – yet another incentive making great tax savings!

Of course if you have any questions contact the office and we'll be happy to give you all the fine details.

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10% Tax Band

Nobody could have missed the 10% tax rate debacle and there are some new changes in response to the general outcry following the withdrawal of the 10% tax band.

The tax free allowances for 2008/09 and the point where 40% personal tax begins have changed.

The basic personal tax free allowance is now: £6,035

Personal taxes on income over the tax free allowances are:

First £34,800 at 20%
Over £34,800 at 40%

Don't be complacent though as National Insurance Contribution (NIC) will create confusion for some.

Over the last 3 or 4 years, it has been government policy to align the starting points for NIC with personal allowances as a simplification measure. But because of these late changes NIC now starts at a lower point (£5,435)!

We are as always just a phone call or email away – so if you need help, simply contact us directly.

Companies House Penalties

Companies House has always charged penalties if accounts were late but the penalties have now increased:

Less than 1 month late	£150
1 - 3 months late	£375
3 - 6 months late	£750
Over 6 months late	£1,500

These are huge increases guaranteed to hurt and what's more – the penalty is doubled if you were late for the previous year. As always, contact us if you have any concerns or need help to meet your deadlines.

Minimum Wage Rises

The minimum wage has risen again and the details are as follows:

From October 2008

National minimum wage 21+	£5.73
18 – 21 year olds	£4.77
16 – 17 year olds	£3.53