

Press release

Every year the taxman ups the ante in its armoury of penalties for people who haven't yet registered for tax to do so and 'encouragements' for people to get their taxes right. Up until 2009 this has been a piecemeal sort of approach...and now in April 2010 they are updating the penalties so that they apply across 20 different taxes.

Why should you be interested? Well, even if you are a law abiding and tax-fearing person you can still make mistakes with your taxes. The new rules say that if you took reasonable care and asked for advice from a competent person where you were unsure then you won't get a penalty. But if you tried to deliberately hide something from the tax man you will get a minimum penalty of 30% and more likely a penalty of 100%! All of which is designed to ensure that everyone tells the taxman about their income or gains – after all it is cheaper to pay the tax when you are supposed to rather than get caught out and pay not just the tax, but also a penalty and interest on tax paid late.

Well probably most of the people who read this aren't going to be deliberately hiding anything from the taxman and by now you are thinking that this article doesn't relate to you and it is pointless to read it...well keep reading a bit longer. Because the criteria for not being charged with a penalty are that you took reasonable care and that you took advice from a competent person. Which means that if you had a question about your tax affairs and weren't entirely sure and just filled in the forms anyway that you didn't take advice from a competent person...and might get a penalty of 30%. Which means that even HM Revenue & Customs now suggest that you ask for advice from a Chartered Accountant, which is great news for me because I am a Chartered Accountant!

But to get back to a serious point, advice from a competent person means proper professional advice. So if you are in the habit of getting advice and suggestions from friends, neighbours, or a bloke down the pub. Then now is the time to stop relying on that advice and make sure that you ask your Chartered Accountant for advice and for that advice to be in writing.

If you would like to talk about your tax issues then contact me for a free no obligation meeting, Jonathan Vowles from Jonathan Vowles Chartered Accountants, tel 01234 752566 or e: info@vowles.co.uk.