

## 21 Tax tips from Andrew Scott

### Overview

Tax is a business cost just like any other. It can be managed and controlled. But tax can be daunting for anyone running a small business, or thinking of setting up in business.

Accountants are there to help manage and control tax costs. It's helpful if they are proactive and offer advice without necessarily being asked.

This is the reasoning behind my Twitter page. I regularly give tips about tax, based on emerging tax rules and regulations. The page is constantly updated.

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### Top tax tips

1. Do you need to pay VAT earlier to avoid fines? From 1 April, payments received by HMRC are dated when cleared funds reach their bank account.
2. Do you need to pay tax earlier to avoid fines? From 1 April payments received by HMRC are dated when cleared funds reach their bank a/c.
3. Employee Benefit Trusts (EBTs) and Employer Financed Retirement Benefits Scheme (EFRBS) are even more attractive as the Revenue reduces the official rate of interest to only 4% from 6 April 2010.
4. If you have problems paying your tax bill, then speak to the Revenue ASAP. See link <http://www.hmrc.gov.uk/pbr2008/business-payment.htm>
5. What is your state pension age? Click on the calculator <http://pensions.direct.gov.uk/en/state-pension-age-calculator/pensions-reform.asp>
6. Have you used up your Capital Gains Tax allowance this year? Review your quoted shareholdings now. Maybe it's time to cash in some gains?
7. Do you know what accounting records to keep and for how long? The taxman tells you at <http://www.hmrc.gov.uk/factsheet/record-keeping.pdf>.
8. If the annual turnover of your business is £1.35 million or less, are you making full use of the VAT cash accounting scheme?
9. Have you lost money on the purchase of subscribers' shares in an unquoted company? You may be able to claim an income tax refund.

10. Are you sure you are extracting money from your business in the most tax-efficient way? Check it now and avoid paying too much tax.
11. As the end of the tax year approaches, have you used your ISA allowance yet? Use it or lose it.
12. The taxman can pay towards a visit to the 'Fat Duck'. Its tasting menu costs £150. Your company could visit as its annual function.
13. All businesses with a turnover of £100,000 or more must file their VAT returns and pay any VAT due electronically from 1 April 2010.
14. Please pay any personal tax you owe by 28 February each year to avoid having to pay a 5% surcharge on the amount outstanding.
15. If you are buying a new home costing £500,000 or more, we may be able to reduce your Stamp Duty costs. Contact me for details.
16. If you extract £50,000 or more from your company as a salary or dividend, there is a better way to increase your take-home pay. Contact me.
17. If you make a loss on renting out your holiday property in the EU, you may be due a tax refund. You do have to claim it.
18. When reviewing staff salaries, do not forget that a mobile phone is a tax-free benefit.
19. When reviewing staff salaries, do not forget that a pension contribution is a tax-free benefit.
20. When reviewing staff salaries, do not forget that a health check is a tax-free benefit.
21. When reviewing staff salaries, do not forget that a paid-for parking space can be a tax-free benefit.

I hope you've found these tips helpful. We would be delighted to discuss how we might be able to help you on any of these – or any other – tax matters. Please contact me to arrange an initial telephone conversation.

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