

# JTC NEWSLINE

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## Real Time Information (RTI): Late filing penalties

Great news for small employers (up to 49 employees); you will not be charged late filing penalties under PAYE Real Time Information (RTI) reporting until 5 March 2015. This change follows a recent relaxation for micro employers (1 to 9) employees which delays penalties for them until 5 April 2016.

Bad news for large employers (50 or more employees); the new RTI late filing penalty system will apply to you from 6 October 2014.

RTI penalties apply from:

- 6 October 2014 for employers with 50+ employees
- 6 March 2015 for employers with fewer than 50 employees
- 6 April 2016 for employers with fewer than 10 employees

If you get an online penalty warning please investigate why - this is a good learning point which will help avoid penalties in future. Look at the 'period ending' on the message and check have you filed late, have you paid late, have you sent less FPS submissions than usual. Remember to send an EPS if you do not pay anyone. ■

## Disputed PAYE charges

The online system for PAYE Real Time Information created problems for the end of year 2013/14 and some employers have disputed their accounts. HMRC have given a public apology for the time being taken to resolve these disputed charges. They expect to have resolved them all by the end of December. If you still have a disputed charge at the beginning of December and have heard nothing you should agitate. Until then just wait. ■

## Self-Assessment - have you done your income tax return?

HMRC have reported that 500,000 people have not sent in their 2012/13 tax return. This is madness. It gives HMRC millions in penalties.

The first deadline for the 2013/14 return is coming up. Anyone who insists on sending in a paper return must do so by 31 October 2014. Once that date is passed you will trigger a penalty if you send in paper. You have until 31 January 2015 to send in an online return. If you miss the paper return deadline, register at once to submit online. You will need a Government Gateway with passwords which takes time to get going. Do not leave it till the last minute. Do not send in a paper return after 31 October 2014. ■

## VAT Notice 708 Buildings and Construction

There is a new version (August 2014) available online. Always check that you are using the most up to date version.

## VAT Notice 708/6 Energy Saving Materials

This notice has been reissued to show that from 1 August 2013 (last year!) the reduced rate no longer applies to installation of energy saving materials in buildings used solely for a relevant charitable purpose.

## VAT Notice 700/62 Self-Billing

This notice has been revised and reissued. Self-billing is an option for contractors who would prefer to raise the invoice for a subcontractor's work themselves based on measured work for example.

The guidance showing how to set up and operate self-billing is in Notice 700/62 but take care, it has to be agreed by the subcontractor, and it is important that he is dependable. If he deregisters after the start of the self-billing agreement and fails to tell you, and you continue to pay 120%, the extra 20% is not VAT and cannot be recovered. ■

## Planning permission

Many of the zero rates and reduced rates used in construction have planning permission as a condition which must be met. For example, you cannot zero rate a new build unless it has planning permission.

A recent tax case has considered whether planning permission gained after the build is acceptable and has decided that it is **not** acceptable. In order to qualify for any rate less than standard, work **must** have the right planning permission before it starts. ■

## GOV.UK

HMRC are gradually moving their public guidance over to the GOV.UK site. It is now easier and better to start any search for public guidance on a tax issue on the GOV.UK site. It is a better managed and indexed site than the HMRC site which is intended to take only the technical matters that HMRC want to make available to accountants and solicitors. The transition is not complete but it is a good idea to bookmark [www.gov.uk](http://www.gov.uk) and get used to using it. ■

Continued overleaf

**New advisory fuel rates for company car drivers apply from 1 September 2014**

These rates apply from 1 September until further notice.

Advisory fuel rates are set by HMRC. Employers can use these rates to reimburse company car drivers for business fuel. These rates should not be used in relation to vans.

These amounts also apply for VAT purposes, but employers can only reclaim input VAT if the employee supplies a receipt. ■

Engine Size	Petrol	Diesel	LPG
1400cc or less	14p		9p
1600cc or less		11p	
1401cc - 2000cc	16p		11p
1601cc - 2000cc		13p	
Over 2000cc	24p	17p	16p

**Record keeping for small business**

HMRC are beginning to focus on a belief that small businesses often keep very inadequate business records. They have introduced some webinars to tell businesses what records to keep and for how long. If you think that you have less than good records it is worth talking to your accountant about setting up some basic systems now. After a period of talking about business records HMRC are likely to start investigating and blaming those with no records. The writing is on the wall..... ■

**Chancellor's Autumn Statement**

Sit by your TV or radio on 3rd December 2014. ■

**PAYE Basic Tools**

This is the free software that employers with fewer than 10 employees can download and use to run PAYE. There was an update launched in August. Check that you have the automatic update switched on so that your system updates. ■

**Employment agency or Intermediary**

If you have a business which, whatever you call it, is one where the primary trade is supplying workers to other (construction) businesses you are affected by the Intermediaries legislation. From April 2015 you must make quarterly returns to HMRC giving details of all workers you place and on whose payments PAYE has not been operated.

- Full name
- Date of birth
- Gender
- Address and postcode
- NIC number or passport or identity card number
- Engagement details, i.e. partnership, company, sole trader
- UTR

If you pay someone other than the worker for the workers services you must also give that person's name and address. You will need to get ready for April 2015 now. ■

**If you have any questions regarding any of the issues raised in this edition of Newsline please contact Liz Bridge.**

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