



## THE SELF ASSESSMENT TAX RETURN DEADLINE [2020/21] – ARE YOU FINISHED YET ??

### BACKGROUND

**It's that time AGAIN** – the deadline date for submission **AND** payment of Self Assessment tax returns and tax liabilities is **31<sup>st</sup> January 2022** !

Typically this annual deadline ruins Christmas dinner and New Year for many accountants, as those taxpayers who have delayed dealing with their tax return, rush to gather their documentation and enable an accurate tax return is submitted to HMRC on time !

However, HMRC have recently stated that as 31<sup>st</sup> January 2022 approaches, they estimate that almost **ONE THIRD** of taxpayers (around 4 million people) are yet to submit their completed self assessment tax return and pay any tax owed ahead of the deadline.

Although over 80% of SAKURA clients have completed the work on their tax return by 31<sup>st</sup> August each year, are you one of those taxpayers still to finish your own Self Assessment tax return at this late stage ?

### IS THEIR ANY GOOD NEWS ?

HMRC have been urging the four million taxpayers still to file their tax return, to do so as soon as possible ahead of the deadline (as in a normal year), in additional to late filing penalties, there is also a 5% interest charge applied to all outstanding and unpaid tax balances from 1 February !

However following HMRC's announcement last week, taxpayers will now **NOT**

1. face any late filing penalties for the submission of their Self Assessment tax return **AFTER 31<sup>st</sup> January 2022**, and
2. receive any late payment penalties for having outstanding tax liability balance(s) **AFTER 31<sup>st</sup> January 2022** – as long as the taxes are paid in full or on a '**Time to Pay**' arrangement **BY 1<sup>st</sup> April 2022**
3. the tax return filing deadline has effectively been extended to **28th February 2022**

The only '**downside**' for those late filing taxpayers is that HMRC have stated that the interest on outstanding and unpaid tax balances - **will still be payable from 1 February as usual** !

The reasoning behind making these changes and allowing more time for taxpayers to deal with their 2020/21 tax returns, is that HMRC has recognised the pressure faced by taxpayers and their agents (accountants) this year with the Covid-19 Omicron variant, and has halted the penalties to help ease the worry of receiving a fine.

Less generous, may be the view that HMRC are nervous about dealing with a flood of subsequent appeals against late filing penalties citing delays due to '**coronavirus**' illness, whether it relates to the taxpayer themselves or impacting the work of their accountant(s), and have therefore acted now to minimise such appeals.

## SOME FINAL POINTS [NEXT STEPS]

If you are planning to use the 'relaxations' announced by HMRC as you are not in a position to submit and pay by the original 31<sup>st</sup> January 2022 deadline, then ensure that

1. your Self Assessment tax return is filed at latest **by 28<sup>th</sup> February 2022**
2. the tax liabilities on your tax return are paid **IN FULL**, or you have an agreed '**Time to Pay**' arrangement with HMRC to pay **IN FULL**, by **1<sup>st</sup> April 2022**

If your tax liability is under £30,000 then there is a NEW HMRC option to (depending on your specific circumstances), to setup a 'Time to Pay' arrangement online. This is managed through your own HMRC Online Services account.

### Self Assessment

Self Assessment Unique Taxpayer Reference

#### Your returns

You have no returns to complete.

You have filed your return for tax year 2020 to 2021.

[View Self Assessment return for tax year 2020 to 2021](#)

[Amend Self Assessment return for tax year 2020 to 2021](#)

[Get SA302 Tax Calculation for tax year 2020 to 2021](#)

#### Your balance

You owe £\*

Interest and penalties may be charged on all overdue amounts.

[Make a Self Assessment payment](#)

[View payments and credits](#)

[Set up a payment plan if you cannot pay in full](#)

Where the online '**Time to Pay**' option is not available to you, or where a taxpayer owes more than £30,000, then you will need to call HMRC directly – **your accountant generally CANNOT make this call on your behalf !**

As the 2020/21 Self Assessment tax return period covers earnings and payments that were provided to taxpayers during the COVID pandemic, it is key to ensure that you **DO NOT** omit any information on their tax return in respect of these additional payments i.e.

- **Self-Employment Income Support Scheme (SEISS)**
- **Other Covid-19 grants** and support payments e.g. self-isolation payments, local authority grants, Eat Out to Help Out scheme.

HMRC have estimated that each taxpayer spends **on average 2 hours** preparing and filing their tax return, which doesn't take into account the search for supporting documents, along with the stress and time involved in arranging for last minute payments to HMRC etc. - **meaning that the time involved for taxpayers is, in practice, many more hours each year !**

Far better to -

1. gather your certificate, summaries and other supporting documents straight after the end of the tax year in April
2. complete the preparation of the Self Assessment tax return by July or August
3. have 5 or 6 months to save the money necessary to pay the tax liability on the tax return in the following January !

**Contact the Sakura Team if you want assistance with preparing your Self Assessment tax return, are struggling with your tax liabilities and need to discuss a 'Time to Pay' arrangement, or even need to make a disclosure in relation to previous years !**

Contact us on 0207 952 1230 or [damian@sakurabusiness.co.uk](mailto:damian@sakurabusiness.co.uk)