

Q&A

WITH
ALISTAIR
WALLACE
FCCA CTA



Big changes are on the horizon

For anyone who completes a tax return, you are about to experience one of the biggest changes in your life. Forget the annual run around looking for receipts and interest certificates, you'll be having to do this 4 times a year from 2018 if HMRC get their way.

The self-employed and landlords will need to use software, apps or an accountant to keep their business records and update HMRC quarterly. HMRC have already said this year that they no longer insist on hard copy invoices or receipts being retained, but will accept scans or photographs instead. Software is already available that enables this to happen and keep records in accordance with the changes coming.

Directors are not let off either. Quarterly filing will still apply but HMRC will already have details of your wages from the current RTI system and dividends will be notified from the paying company.

How will these changes affect your tax payments? HMRC will be encouraging you to pay your tax quarterly, albeit they are not yet insisting on it. If we go to quarterly payments of tax, the first year will be interesting with both previous and current year's taxes being paid in the same year.

Will these changes actually happen? Probably yes. They have launched a consultation document but we do not expect the proposed changes to be withdrawn. The finer detail may be tweaked but these new reporting deadlines will likely happen, although the Treasury Select Committee have advised of a deferment.

As always, plan ahead and speak to your adviser about what you could be doing now to prepare for this.