Q&A WITH ALISTAIR WALLACE FCCA CTA

It's that time of year again

So Christmas has been and gone and the decorations have been safely put back in the loft for another year. Now what? Our minds go onto paying those tax bills by the end of January.

You may have already filed your Tax Return, or you may still have the delight to look forward to, but is it too late to reduce your tax liability?

The answer is no. You could look to see if you have made any donations since 6th April 2016 and carry these back to last year under the gift aid rules. These also include entry payments to many museums such as Bovington or Beaulieu as well as the more traditional form of donations like The National Trust.

You could also look at making investments under the Enterprise Investment Scheme and again, these can be legitimately treated as if paid in the previous year. Any investment entitles you to a 30% tax credit to set off against your income tax liability. An investment into a new Company under the Seed scheme would entitle you to a 50% credit. It's also worth mentioning that if you obtain Income Tax relief then any future gain from the investment is free from Capital Gains Tax.

If you're on the ball and already filed your Tax Return then it's still not too late to change your tax liability as you can repair what has already been submitted. Any carry back should be thought through carefully with your adviser and consider if the tax relief is more valuable in 2015/16 or 2016/17.

We would welcome an opportunity to discuss your planning options with you so feel free to get in touch.