

Tax Return Filing Deadlines

HMRC tried to quietly tighten the screw...



Less time to file

Few people will have noticed that the last Budget hid a sneaky announcement by the Government that dramatically shortened the time taxpayers have to file their income tax returns.

Following a report by Lord Carter of Cole into the Revenue's online filing system, the Revenue had decided to accept his recommendations to bring forward income tax self-assessment filing deadlines. This recommendation was completely unexpected and had not been consulted upon.

The announcement said that from the tax year ended 5 April 2008 all individuals were going to be expected to file their paper income tax returns by 30 September 2008 or their online returns by 30 November 2008. This compared very unfavourably with the deadline under the current rules of 31 January 2009. (However, it should be pointed out that the tax payment deadline would have remained 31 January 2009.)

A partial backtrack

After much complaint from interested bodies, including all the major accountancy bodies, Lord Carter announced on 10 July 2006 that he would change his recommendation; the online filing deadline would remain 31 January 2009, and although the paper deadline would still come forward, it would be only to 31 October 2008 (even this is still three months earlier than it would have been under current rules).

An incentive for early filing

As a concession to the early filing deadline, Lord Carter also recommended that the window of time in which the Revenue can make an enquiry into your income tax return will be linked to a period from when your return is filed and not for the current fixed period of one year from 31 January 2009 (or one year from the date of filing if later). This removes the perceived disadvantage against filing returns early.

Barnes Roffe Topical Tips

- So long as we, as your agent, have a standing authority with the Inland Revenue (usually granted on form 64-8) to speak to them about your affairs, we can electronically file your tax return. Indeed, we probably filed your return in this way this year without you being aware of the fact. Therefore the existing deadline of 31 January 2009 for the year to 5 April 2008 should not change for you.
- The earlier we can do your return, the earlier you can be aware of your tax liabilities.
- Watch out for further changes, as Lord Carter's view is that we all have an overgenerous amount of time at present to complete our tax returns.

Consult your Barnes Roffe LLP contact Partner for guidance in this important area.