

SELF-ASSESSMENT – ENHANCED BENEFIT PLANS

The threshold for paying tax liabilities has been increased to £30,000 for self-assessment customers, to help ease any financial burden they may be experiencing due to Covid-19.

As of 1 October 2020, customers can apply online to spread the cost of their tax bill into monthly payments, without the need to call HMRC.

The online payment plan can be used to set up instalment payments for paying tax payments up to £30,000 (previously £10,000).

In the Chancellor's announcement on 24th September he advised that self-assessment customers could pay their deferred payment on account bill from July 2020 (2nd payment on account for 2019/2020), any balancing payment for 2019/2020 and the first payment on account for 2020/2021, in monthly instalments, up to 12 months, via this self-serve tool.

Taxpayers who need longer than 12 months to settle their tax liabilities can contact HMRC in the usual way.

In order to use this service taxpayers must meet the following requirements:

- They need to have no:
 - outstanding tax returns
 - other tax debts
 - other HMRC payment plans set up
- The debt needs to be between £32 and £30,000
- The payment plan needs to be set up no later than 60 days after the due date of the debt

Taxpayers using self-serve Time to Pay will be required to pay any interest on the tax owed. Interest will be applied to any outstanding balance from 1 February 2021.

BE AWARE OF SCAMS CLAIMING TO BE FROM HMRC OFFERING TO HELP SET UP PAYMENT PLANS TO PAY ANY TAX OWED. TIME TO PAY ARRANGEMENTS CAN ONLY BE APPLIED FOR VIA HMRC USING THE LINK BELOW.

<https://www.gov.uk/pay-self-assessment-tax-bill/pay-in-instalments>

If you require any assistance with regard to the above, please get in touch

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