



### CORPORATION TAX RATES

A further reduction in the main rate of corporation tax has been announced. The planned 1% decrease announced to take effect from 1st April 2012 is now to be a 2% decrease with the rate moving from 26% to 24%. Further 1% reductions to 23% and 22% are to take place from 1st April 2013 and 1st April 2014 respectively. The small company rate will remain at 20%.

### EASTER BANK HOLIDAY

Our offices will be closed on Friday 6th April and Monday 9th April.



### ANNUAL INVESTMENT ALLOWANCE (AIA)

The AIA is a capital allowance available for many businesses on most purchases of plant and machinery, long-life assets and integral features. Relief is given on the full cost up to an annual maximum allowance. As previously announced, the allowance is to be reduced to £25,000 from £100,000 with effect from 1st April 2012 for companies and 6th April 2012 for unincorporated businesses.

### P35 DEADLINE IS FAST APPROACHING

The deadline by which your Employer Annual Return (P35 and P14s) must reach HMRC is 19th May.

If you file your return late, you'll be charged a penalty of £100 per 50 employees for each month or part month that your return is outstanding.

### TAX FREE ALLOWANCES

Tax free allowances and NI limits have increased. For most directors/shareholders the optimum tax efficient salary from April 2012 will be £7,480 per year.

### VAT THRESHOLD

Annual Registration Limit

£77,000

Annual Deregistration Limited

£75,000

### HMRC CODING OUT SMALLER DEBTS

From April 2012 HMRC will be able to collect debts up to the value of £2,999.99 by amending the tax code of individuals in PAYE employment or receiving a UK based pension.



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### PERSONAL ALLOWANCE 2012/2013

For those aged under 65 the personal allowance will be increased by £630 to £8,105. This increase is greater than the minimum required and is part of the plan of the Coalition Government to ultimately raise the allowance to £10,000.

The personal allowance is reduced by £1 for every £2 of adjusted net income over £100,000. So for 2012/13, the allowance ceases at adjusted net income in excess of £116,210.

### **PAYSLIP CHANGES**

Changes to the way employers and HMRC handle payslip data is due to take place next year. From October 2013, all employers must use the new system, which will see payslip data on tax, NIC and other deductions transmitted to HMRC at the time employees are paid, rather than once a year. P45s and many other such forms will become a thing of the past.

### **ADAMS MOORE NEWS PAGE**

Our website is currently being updated and we are adding a news page. We hope to have this page up and running at the end of the month. The news page will feature articles and up and coming events.

Please note you can still take full advantage of our website and resources section while we are creating this additional feature.

### **HMRC FASTER PAYMENT SERVICE**

From 16th December 2011 HM Revenue & Customs (HMRC) will be able to accept payments made using the Faster Payments Service. This will allow you to make faster electronic payments, typically via internet or telephone banking, enabling them to be processed on the same or next day.

You should contact your bank or building society before making a payment to confirm:

- The services available to you
- Whether there are any single transaction or daily limits on the amount you can pay
- Their latest cut off times for making a payment

When making a payment to HMRC please make sure you always use the correct bank account details and reference number. This will ensure that your payment is received, and will help you to avoid incurring a penalty, interest or surcharge for late payment.

### **VAT—ANOMALIES AND LOOPHOLES**

Legislation will be introduced to address long-standing VAT anomalies and loopholes, with effect from 1st October 2012.

The changes are:

- Applying VAT to approved alterations to listed buildings to bring them into line with the VAT treatment of alterations to non-listed buildings, and repairs and maintenance for all buildings
- Providing consistency of treatment between self-storage and other forms of storage
- Applying VAT, in the minority of cases where it does not already apply, to hot food and to sports drinks
- Putting beyond doubt the fact that VAT applies to the rental of hairdressers' chairs
- Ensuring that the purchase of holiday caravans is taxed consistently at the standard rate.

### **2011/2012 TAX RETURN**

With the new financial year approaching this week you will receive in the post shortly from us your tax return questionnaire. The sooner we prepare and submitted your tax return the sooner you will be aware of your tax liability or any refund that may be due.

Remember, a penalty will be charged for a late filing of a tax return even if you have no tax to pay or you have already paid all the tax owed.

### **HMRC TARGETED SWISS BANK ACCOUNTS**

HMRC are writing to UK residents and organisations holding Swiss bank accounts with HSBC in Geneva who may not have reported all their income and gains to the Revenue.

HMRC is acting on information received from a tax treaty last year that found 6,000 individuals, companies, trusts and other bodies held accounts with HSBC Geneva.

### **ADAMS MOORE WELCOMES STEPHANIE**

We're pleased to have Stephanie on board working within our accounts preparation team. Stephanie has almost ten years experience which will be invaluable to us.

### **FURTHER QUESTIONS?**

Should you require any further advice or have any questions regarding the articles featured, please do not hesitate to contact us on: 01827 54944