



HELP IS AVAILABLE TO SELF EMPLOYED FACING DIFFICULTY

Staffordshire Accountants DJH Ltd say help is available to self-employed people due to make their second payment on account to HM Revenue & Customs at the end of the month.

Fiona Green, Tax Director at DJH Accountants Ltd says: "Payments on account are calculated based on your tax liability for the previous year (2007-08). Half is paid on 31 January and the remaining half on 31 July.

In the current economic downturn, some taxpayers will expect their 2008-09 income to be less than their total income for the previous year.

In such cases, you may be able to reduce your second payment on account using form SA303. However, you must be careful not to over reduce it, as you will be liable for interest on the difference, and a possible penalty.

Where the payment on account figure is correct, but you are unable to pay the tax due, help is at hand in the form of HMRC's Business Payment Support Service which was introduced in November 2008.

You may be able to spread the payment of your tax bills, for which you will need to pay interest on the outstanding balance, but not surcharges or penalties.



Payments on account apply to individuals whose previous year's tax liabilities were over £500 or if the tax on their non-PAYE earnings was 20% or more than the total tax due for the year.

You can reduce your payments on account on your tax return and explain in the 'Additional Information' section why you have. You can also use form SA303 to claim to reduce your payments or to change your earlier claim.”

ENDS