

# PENALTY ALERT !!

## HM Customs and Excise

have woken up to the fact that many businesses have been helping their cash flow by paying their taxes late. They have also realised that fines are a little bit like speed cameras..a nice little earner!!

We are all probably familiar with the Self Assessment penalties of £100 for a late return and 5% penalty if the tax is not paid by 28 February with a further 5%, if still not paid by 31 July.

**Please read on....We do not want our Clients to pay more than our share of the Country's deficit of £165bn !!**

In February 2009 **Companies House** increased their penalties for late filing of accounts

< one month	£150
Between 1 & 3 months	£375
Between 3 & 6 months	£750
More than 6 months	£1500

## CIS Gross Payment Certificate

If you are in the Construction Industry and have a gross payment certificate you will probably be aware of the penalties that exist that could jeopardise this ability to be paid gross without the deduction of tax. The HMRC computer has been quietly logging defaults and has recently issued a computer generated notice threatening to withhold the gross payment certificate and to inform your Contractors of this fact.

**If this applies to you Contact Us without delay .**

You have 30 days to submit an appeal



## PAYROLL PENALTIES

From April 2010 late payment penalties imposed by H M Revenue & Customs are calculated as follows:

- 1<sup>st</sup> default is ignored
- 2, 3 or 4 defaults in the year the penalty is 1% of the amount due
- 5, 6 or 7 defaults in the year the penalty is 2% of the amount due
- 8, 9 or 10 defaults in the year the penalty is 3% of the amount due
- 11 or more defaults the penalty is 4%

## Additional penalties for monthly and quarterly payments over six months late

If you have still not paid a monthly or quarterly amount in full, after six months you may have to pay a penalty of 5 per cent. A further penalty of 5 per cent may be charged if you have not paid after 12 months. These penalties may be charged in addition to the penalties for monthly and quarterly payments described above and apply even where only one payment in the tax year is late.

## CORPORATION TAX PENALTIES

For late filing of accounts and Corporation Tax return form CT 600 the following penalties apply:-

<3 months late	£100
>3 months late	£200
3 or more late returns in a row	£500
>18 months late	a further £500 plus 10% of the tax outstanding
>24 months late	a further £1000 plus 20% of the tax outstanding

## VAT PENALTIES coming soon....

First late return - no penalty . Second late return—penalty £100

Third late return - penalty £200. Fourth late return—penalty £300

Each late return extends the penalty period to the anniversary of the most recent default

First late payment—no penalty. Second late payment—2% of the tax due

Third late payment—2% of the tax due. Fourth late payment—3% of the tax due

Fifth and subsequent late payments—4% of the tax due

Each late payment extends the penalty period to the anniversary of the most recent default