GMcG

CHARTERED ACCOUNTANTS
GROUP

THE SUMMER BUDGET 2015

BUDGET 8 JULY 2015

This Summary covers the key tax changes announced in the Chancellor's speech and includes tables of the main rates and allowances.

Alongside our text we have included tips which you may want to consider. At the back of the Summary you will find a calendar of the tax year with important deadline dates shown.

We recommend that you review your financial plans regularly as some aspects of the Budget will not be implemented until later dates.

We will, of course, be happy to discuss with you any of the points covered in this report, and help you adapt and reassess your plans in the light of any legislative changes.

Contents

Introduction

One of George Osborne’s first acts as Chancellor was to establish an Office of Tax Simplification. That organisation has spent the last five years identifying needless complexity in the tax system and recommending changes to make dealing with tax less taxing. Sadly, whatever the OTS does to reduce complications, the Chancellor seems to replace with more. Few expected the July Budget to be so full of far-reaching measures that over the next few years will significantly change the way tax is calculated.

We were promised, of course, the ‘tax lock’ – a law to prevent the Government putting up the rates of income tax, National Insurance and VAT, or extending the scope of VAT. But there are more ways to increase taxes than just putting up the headline rates. A significant reform of the taxation of dividend income next year will affect those who have been able to extract profits from their personal company in a tax-efficient way. The reduction of income tax relief on mortgage interest will put up the tax charges for buy-to-let landlords from April 2017. Restricting the tax advantages of people who are currently classified as ‘foreign domiciled’ is another potential tax-raising measure, but it is not clear whether wealthy international people will pay more tax or will move elsewhere.

As expected, Mr Osborne announced a new Inheritance Tax allowance specifically for those leaving the family home to their children or grandchildren. Even that comes with complications – it will be introduced in 2017 at £100,000 and increased to £175,000 over four years. There will be rules to cover someone who downsizes, so what they leave is not the house but the proceeds – they will still benefit, but their executors will no doubt have to work harder to keep track of what qualifies for the relief.

Also as expected, the Chancellor has focused his attention on the welfare budget, hoping to save £12 billion. He said he wanted to move to a ‘higher wage, lower tax, lower welfare economy’. He has announced a higher National Living Wage and higher personal allowances – and has certainly cut welfare. It remains to be seen whether that will generate the economic activity he hopes for.

This booklet summarises the main announcements from the speech and the raft of documents released on the internet afterwards, and sets out the effect on typical taxpayers. We will be happy to advise you on what it all means for you personally.

Significant points

- Major changes for owner-managed companies from April 2016 – profit extraction by dividend payment becomes less favourable
- Annual Investment Allowance for plant and machinery will reduce from £500,000 to £200,000 with effect from 1 January 2016
- Employment Allowance for employer’s NIC rises from £2,000 to £3,000 from April 2016, but is scrapped for one-person companies
- 10% wear-and-tear allowance for landlords to be replaced in 2016/17 with relief for actual expenditure on furnishings
- Rent-a-room relief increased after 18 years to £7,500 from April 2016
- Annual allowance for pension contributions by those earning over £150,000 to be reduced for 2016/17 – tapering down from £40,000 to £10,000
- HMRC to have the power to take tax debts of over £1,000 directly from bank accounts of those who ‘can pay but choose not to’
- Significant changes will apply from April 2017: reductions in corporation tax rate, reduction in tax relief for buy-to-let interest, abolition of permanent foreign domiciled status, reduced IHT on leaving the family home on death

Personal Income Tax

Tax rates (Table A)

The amount of taxable income charged at the basic rate of tax (20%) is increased by £135 to £32,000 from April 2016. However, a basic rate taxpayer will also be able to receive up to £17,000 of tax free income in 2016/17 if it falls within these allowances:

- Personal allowance £11,000 (any income)
- Savings allowance £1,000 (interest e.g. from banks)
- Dividend allowance £5,000 (dividends)

In spite of some predictions that the 45% top rate of tax would be abolished, no such change was mentioned either as a proposal or even a long-term objective.

Personal allowance

In the March 2015 Budget George Osborne indicated that the standard personal allowance would increase to £11,000 from April 2017. This increase from the current level of £10,600 will now take effect from 6 April 2016. This represents a tax reduction of £80 for a basic rate taxpayer in 2016/17.

The personal allowance will be increased to £11,200 in April 2017. The Government aims to increase it to £12,500 by 2020, and then to tie any further increases to the equivalent of 30 hours per week of pay at the National Minimum Wage.

The personal allowance will still be withdrawn from those with incomes above £100,000, producing a marginal tax rate of 60% in the band from £100,000 to £122,000 in 2016/17.

Savings allowance

From 6 April 2016 all bank and building society interest will be paid gross, without deduction of tax. Each basic rate taxpayer will also have a savings allowance worth £1,000, saving tax of up to £200. A 40% taxpayer will enjoy a savings allowance of £500. Additional rate taxpayers who have income of over £150,000 will not be given a savings allowance, so they will have to pay the full 45% charge on their savings income through self assessment.

Dividend tax allowance

The taxation of dividends will be reformed from 6 April 2016. The 10% dividend tax credit is abolished. In its place, individuals will have a £5,000 dividend tax allowance. An individual will pay no income tax on dividend income received up to that amount. However, dividend receipts in excess of £5,000 will be taxed at:

- 7.5% for basic rate taxpayers (previously 0%)
- 32.5% for higher rate taxpayers (previously 25%)
- 38.1% for additional rate taxpayers (previous 30.56%)

Funds held within pension funds and ISAs will continue not to be taxed.

Employees

Trivial benefits

The March Budget included a proposal to exempt from tax certain benefits in kind provided to employees of a 'trivial amount'. Subject to conditions, these would be benefits costing up to £50. Directors of close companies would have an overall limit of £300 in a year. This proposal did not make it into the pre-election Finance Bill, but the July Budget has confirmed that it will take effect from April 2016.

Living wage

From April 2016 all employees aged over 24 will have to be paid a national living wage (NLW) of £7.20 per hour. The national minimum wage (NMW) will continue to apply to younger workers. The Low Pay Commission will be asked to recommend the level at which the NLW should be set each year, as it does for the NMW. The Government hopes that the NLW will reach £9 per hour by 2020.

National Insurance Contributions

Employment Allowance

From 6 April 2014 most employers have been able to claim an annual employment allowance of £2,000 to set against employer's class 1 NIC. This will rise to £3,000 per year from 6 April 2016. However, one-person companies will no longer be eligible to claim the allowance. This will increase costs for personal service companies and affect the tax efficient amount of salary directors will be able to extract from their own companies.

Tax free childcare

Employers can currently provide tax and NIC-free childcare vouchers to employees worth £55 per week for a basic rate taxpayer (less for higher and additional rate taxpayers who joined the voucher scheme after 5 April 2011).

The employer provided voucher scheme is to be replaced with 'tax free childcare' (TFC) from early 2017, postponed from late 2015. TFC is a Government-backed savings scheme which parents will use to save for the cost of childcare. For every £8 the parent contributes the Government will pay in £2, up to £2,000 per year per child.

Parents who join their employer's childcare voucher scheme before TFC comes into effect will be able to choose whether to stick with the voucher scheme or move to TFC. The tax free amount for childcare vouchers applies per parent, whilst the Government's contribution under TFC applies per child. There are a number of other differences between the two schemes which need to be weighed up for each family as parents choose which scheme to use from 2017.

TAX TIP

Consider setting up childcare voucher scheme for employees before the rules change

Tax Credits and Universal Credit

As indicated during the election campaign, the Chancellor has announced wide-ranging changes to tax credits and other welfare payments.
The following are some of the key announcements.

April 2016 changes

The income threshold for tax credits will reduce from £6,420 to £3,850 per year. Once claimants earn above this threshold, their award will be reduced at 48% (previously 41%) for each £1 earned.

The 'income rise disregard' will reduce from £5,000 to £2,500, meaning that more claimants will have their award adjusted if their income has increased.

Universal Credit work allowances will be abolished for non-disabled childless claimants. They will be reduced to £192 per month for those with housing costs and £397 for those without.

April 2017 changes

The Child Element of tax credits and Universal Credit will no longer be awarded for third and subsequent children born from April 2017.

The Family Element in tax credits and the equivalent in Universal Credit will no longer be awarded when a first child is born.

Pensions

Restriction of top rate tax relief

The Chancellor announced further changes to pensions, following the recent reforms to how pension benefits can be taken from money purchase schemes. From 6 April 2016, those with 'adjusted income' above £150,000 will be subject to a tapered reduction in their annual allowance for tax relieved contributions. The normal £40,000 allowance will be reduced by £1 for every £2 of excess income, subject to a minimum allowance of £10,000.

TAX TIP

Consider maximising pension contributions before tax relief is reduced

Pension Input Periods (PIPs)

The annual allowance is measured against pension inputs during a PIP. From 2016/17, PIPs will align with a tax year, but for 2015/16 there are complicated transitional rules. These mean that great care is needed when deciding both how much to put into a defined contribution scheme and when in the tax year to do so. Different transitional rules apply for defined benefit schemes.

Taxation of pensions at death

From 2016/17, the tax charge that applies on a lump sum paid from the pension of someone who dies aged 75 and over will change from a flat rate 45% to the marginal income tax rate of the recipient.

Lifetime allowance (LA)

The LA for tax advantaged pension rights will reduce from £1.25m to £1m at 6 April 2016, but transitional protection will be available for those already above the £1m figure. From April 2018, the LA will rise in line with the Consumer Prices Index.

Secondary market in annuities

The option to cash in an annuity in payment, which the Chancellor had previously said he hoped to introduce from April 2016, has been delayed at least until April 2017.

Further reform of pensions?

The Chancellor indicated that yet another review of pensions tax relief will take place. One possibility under consideration is to make the regime more like ISAs, with no tax relief on contributions, but with some top-up of pension funds from the Government.

Savings and Investments

ISAs

Flexible ISAs will come into effect from 6 April 2016. This will allow people to withdraw cash from their ISA and reinvest it within the same tax year without affecting their ISA allowance for that tax year.

Venture capital schemes

Unquoted trading companies can use three different venture capital schemes to attract investment from individuals: Seed Enterprise Investment Scheme (SEIS), Enterprise Investment Scheme (EIS) and Venture Capital Trusts (VCT). Each scheme provides attractive tax reliefs for individual investors, but they all have complex qualifying conditions for the company and the investor.

A number of detailed amendments are being made to these schemes to streamline the interaction between them and in some cases bring the scheme in line with European rules on State Aid. These changes include:

- requiring companies that use a venture capital scheme for the first time to be within 7 years of the date on which they started to trade, or 10 years from that date for knowledge intensive companies. This time limit will not apply where the amount of the investment is at least 50% of the company's average turnover.
- introducing an overall 'lifetime' cap on the amount a company can raise using these schemes of £12m, or £20m for knowledge intensive companies. This cap will apply in addition to the current 12 month cap of £5m.
- preventing companies from acquiring other businesses using the funds they raise under EIS or VCT.

There will also be a bar on existing shareholders acquiring more shares in the same company under EIS or SEIS, unless they acquired the shares they already hold under one of the venture capital schemes.

Landlords

Relief for interest

Currently individual landlords receive tax relief at their highest rate of income tax on all of the interest they pay to finance their letting business. From April 2017 the amount of interest that will be eligible for tax relief at the marginal rate will be restricted to the following:

- 75% of the interest paid in 2017/18
- 50% of the interest paid in 2018/19
- 25% of the interest paid in 2019/20

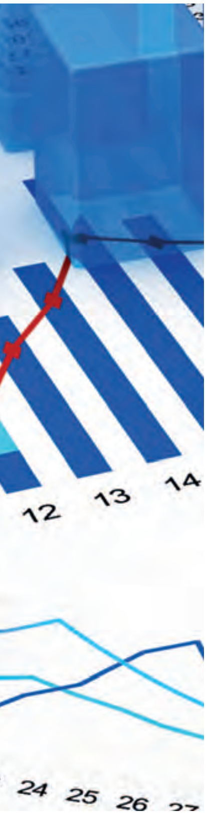
The balance of the interest will be eligible for 20% tax relief in each case. From 6 April 2020, only basic rate tax relief will be available for interest.

TAX TIP

Review the funding structure for your buy-to-let business

Relief for furniture and fittings

At present, a wear and tear allowance is given at 10% of the net rents received in respect of fully furnished let properties. This will be abolished from 6 April 2016. In its place all landlords of residential property (whether fully furnished or not) will be able to claim the actual cost of replacing furnishings.



Rent-a-room relief

Rent-a-room relief, which exempts rent received where a person lets out part of their only or main residence as residential accommodation, will increase from £4,250 to £7,500 from 6 April 2016. This applies not only to lodgers but also to bed-and-breakfast businesses, provided that the house is the owner's main residence. If the total rent received is higher than the limit, the owner can choose to deduct the actual expenses incurred, or to deduct the limit and pay tax only on the excess.

Inheritance Tax

Rates and nil band

The IHT nil rate band will be frozen at £325,000 per person until 6 April 2021. Any unused nil rate band can be passed to a surviving spouse or civil partner, producing a total tax exempt band for the couple of £650,000.

Extra relief for passing on a home

This amount is insufficient to shelter the value of many homes from IHT, so the Government is introducing a new extra nil rate band to be applied only to the value of a home left on death to a direct descendant of the deceased. This home-related nil rate band will start at £100,000 per person from April 2017 and increase over four years to £175,000 per person, allowing a couple to eventually pass on a family home worth up to £1m with no IHT (2 x £375,000 plus 2 x £175,000).

The home-related nil rate band will not apply in full if the total estate is worth over £2m, and will not apply to a house that has never been used as a residence by the deceased (e.g. a buy-to-let property).

Where after 8 July 2015 someone downsizes their home, or ceases to own a home, thus turning the IHT-relieved property into cash, assets of an equivalent value will also be eligible for the relief.

Corporation Tax

Rates

The rate of corporation tax will be set at 20% for the two years starting 1 April 2015. It will then be cut to 19% for three years starting on 1 April 2017, and to 18% from 1 April 2020.

Goodwill amortisation

Since 2002, companies have been entitled to deduct the amortisation of purchased goodwill from their profits for corporation tax purposes. This has given a tax advantage to the purchase of business undertakings as a going concern over the purchase of shares in other companies, where no deduction is allowed for any of the cost of investment.

This deduction was abolished from 3 December 2014 where goodwill was acquired from a related party, for example where a business was transferred to a company on incorporation.

It has now been abolished for any acquisition of goodwill and other customer-related intangible assets from 8 July 2015. Goodwill acquired before that date is not affected, so the continuing amortisation of existing assets will continue to be deductible. Where an unconditional obligation to acquire goodwill had been entered into before 8 July, relief will be available.

For goodwill purchased after this date, there will be a restricted relief for losses realised if it is sold. Such a loss will be a ‘non-trading debit’ which cannot be relieved as flexibly as a trading loss.

Payment dates

Companies with profits up to £1.5m normally have to pay their corporation tax nine months and a day after the end of the accounting period. The profits limit is shared between companies in the same group. Companies with profits above the limit are due to pay their tax in four instalments on the 14th day of the 7th and 10th months of their accounting period, and the 1st and 4th months following it. Instalments normally have to be estimated, with interest accruing on money paid later or earlier than it was due.

From April 2017, companies with the largest profits – £20m a year, shared between group companies – will have to pay their tax earlier still, in the 3rd, 6th, 9th and 12th months of the period.

Business Tax

Personal companies

The new dividend allowance, described above under Personal Income Tax, will represent a significant tax increase for owners of small companies who have for some years been able to extract profits from their business with a tax-efficient mixture of salary and dividends.

Example

In 2015/16 Alan takes a dividend of £27,000 net (£30,000 gross) from his personal company. His only other income is salary equivalent to his personal allowance. He pays no income tax on this combination of salary and dividend, because it is all covered by his personal allowance and basic rate band.

In 2016/17 Alan takes a dividend from his company of £27,000 (gross, no tax credit), and a salary equal to his personal allowance. He pays tax at 7.5% on £22,000 of that dividend after deducting the dividend tax allowance of £5,000. In 2016/17 he will pay income tax of £1,650 on the dividend.

The 'tax lock' prevents the Chancellor from raising the rate of income tax, but the tax rise illustrated above is achieved by reducing the rate of tax on dividends from 10% to 7.5% while simultaneously removing the tax credit that balanced the 10% tax charge.

TAX TIP

Review profit extraction strategy before changes in April 2016

Annual Investment Allowance (AIA)

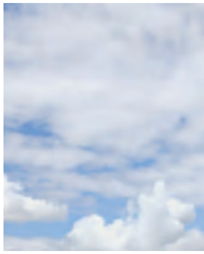
The AIA is the maximum amount a business can spend on equipment in one year and get full tax relief in that year. The amount of the AIA has varied between £25,000 and its current level of £500,000 over the last five years. The Chancellor has said this variation will now cease as he will introduce a permanent AIA cap of £200,000 from 1 January 2016. There are complicated rules for the maximum amount of relief where an accounting period straddles the change of limit.

Farmers' averaging

It has been confirmed that averaging of farmers' profits will be extended from the present two years to five years from April 2016. Details are still to be announced.

Carried interest

Individuals involved in investment management for private equity or other investment funds have been able to structure their remuneration so they pay



tax at the lower CGT rates rather than paying income tax. It seems they have also been able to manipulate the CGT rules so the lower rates are applied to less than the total amount received. The Budget has closed this down for carried interest arising on or after 8 July 2015, which will be charged at the full CGT rates with limited deductions.

Value Added Tax

Offshore avoidance

The Chancellor announced a review of the 'use and enjoyment' rules to apply from 2016, to make it clear that UK VAT is due on all repairs carried out in the UK under UK insurance contracts.

There will also be a wider review of the use of offshore structures to avoid VAT in the exempt sectors, for example to remove a VAT charge on advertising in relation to UK financial businesses. Anti-avoidance measures will be applied from 2017. This may be a response to HMRC losing a recent case in which they tried to argue that an offshore VAT structure should be ignored as an 'abuse of rights'.

Other Measures

Foreign domicile

The status of 'foreign domiciled person' has traditionally been inherited from an individual's father or mother, and has only changed during their lifetime in specific circumstances. It has therefore been possible for someone to be born in the UK and to live here all their lives, and yet to be taxed as a foreign domiciled person. Such a person has enjoyed a number of tax advantages, in particular in relation to foreign income, gains and assets. Extra tax charges have been introduced for foreign domiciled people in recent years, but some advantages remain.

The Chancellor has announced significant changes to apply from April 2017. Anyone who has been tax-resident in the UK in 15 of the preceding 20 years will then be deemed to be UK domiciled for tax purposes. In addition, it will no longer be possible for somebody who is born in the UK to parents who are UK domiciled to claim foreign domiciled status if they leave the UK but then return and take up residency here.

At present, a foreign domiciled person can own UK residential property through an offshore structure and turn it into a foreign asset for IHT purposes. The annual tax on enveloped dwellings has imposed a significant tax charge on such structures in many cases, but from April 2017 it will no longer take the property out of UK IHT.

Direct recovery of debt

In 2014, HMRC issued a consultation document about a new power for them to remove money directly from a taxpayer's bank and building society accounts, if the taxpayer refused to pay a debt. Tax professionals protested that this would be a draconian power, and HMRC's systems are not reliable enough to protect vulnerable taxpayers from mistakes and over-zealous collectors. The proposal was deferred before the election.

It has now been restored to the new Finance Bill, and the power will be given to HMRC with effect from when the Finance Bill becomes law. The Government claims that extra safeguards will be built into the system, and it will only be applied to people who 'can pay but choose not to'. They expect to apply the power to around 11,000 cases a year. It will only be used where the debtor owes at least £1,000, and at least £5,000 will always be left in the account.

Offshore evasion

Governments throughout the world are increasingly cooperating to exchange information in order to trace and clamp down on offshore tax evasion. This Budget includes a new power for the Government to require financial intermediaries, tax advisers and other professionals to warn their clients about the possibility of investigation of offshore accounts.

This will be combined with a time-limited 'disclosure facility' in early 2016 to allow non-compliant taxpayers to put their affairs in order with the benefit of reduced penalties, although the terms will be less favourable than on previous occasions.

After that window closes, HMRC are promising to pursue anyone who continues to conceal their tax affairs with tough penalties and possible criminal sanctions.

Vehicle Excise Duty

The Chancellor announced a complete reform of Vehicle Excise Duty from 1 April 2017. New cars registered after that date will incur a higher charge in their first year, based on their carbon dioxide emissions rating. Those with high ratings will see a significant increase in charges, and expensive cars will have a supplementary charge of £310 for the first five years. We are promised that 'from the end of this decade', the money raised will actually be spent on roads – although many people believe that is what happens now, the duty is at present simply part of general taxation.

Income Tax Rates and Allowances (Table A)

Main allowances	2015/16	2014/15
Personal Allowance (PA)	£10,600	£10,000
Personal Allowance (born 6.4.38-5.4.48)	10,600	10,500*
Personal Allowance (born before 6.4.38)	10,660*	10,660*
Transferable Tax Allowance**	1,060	Nil
Blind Person's Allowance	2,290	2,230

Allowed only at 10%		
Married Couple's Allowance (MCA) only available if born before 6.4.35	8,355*	8,165*
Age-related allowance income limit (AAIL)	27,700	27,000

PA is withdrawn at £1 for every £2 by which net income exceeds £100,000, such that PA becomes nil at income of £121,200 (2014/15: £120,000)

*These allowances are reduced by £1 for every £2 by which income exceeds AAIL. Personal allowance is reduced before MCA, until equal to normal PA. MCA is reduced to minimum £3,220 (2014/15: £3,140).

** Married couples/civil partners born after 5 April 1935 can transfer this amount of the PA between them as long as the recipient is not taxed at more than 20%.

Rate Bands	2015/16	2014/15
Basic rate band (BRB)	£31,785	£31,865
Higher rate band	31,786-150,000	31,866-150,000
Additional rate	over 150,000	over 150,000

Tax Rates

Rates differ for General, Savings and Dividend income within each band:

	G	S	D
Basic	20%	20%	10%
Higher	40%	40%	32.5%
Additional	45%	45%	37.5%

If taxable general income is less than £5,000 (2014/15: £2,880), savings income is taxed at a 'starting rate' of nil (2014/15: 10%) until total taxable income exceeds that limit. This 'starting rate band' is part of the BRB.

High Income Child Benefit Charge (HICBC)

1% of child benefit for each £100 of net income between £50,000 and £60,000.

Remittance basis charge	2015/16	2014/15
For non-UK domiciled individuals who have been UK resident in at least		
7 of the preceding 9 tax years	£30,000	£30,000
12 of the preceding 14 tax years	60,000	50,000
17 of the preceding 20 tax years	90,000	N/A

Registered Pensions (Table B)

	2015/16	2014/15
Lifetime allowance (LA)	£1.25m	£1.25m
Annual allowance (AA)	40,000	40,000
LA charge if excess drawn as	Cash 55%/income 25%	
AA charge on excess inputs	20%-45%	

Annual relievable pension inputs are the higher of earnings (capped at AA) or £3,600.

Car and Fuel Benefits (Table C)

Cars

Taxable benefit is chargeable value multiplied by chargeable percentage.

Chargeable value:

Initial list price of car (including most accessories), reduced by any capital contribution (maximum £5,000) by employee when the car is first made available.

Chargeable percentage:

CO_2 emissions (g/km)	Petrol	Diesel
0-50	5%	8%
51-75	9%	12%
76-94	13%	16%
Above 94	Add 1% for every 5g/km	
Above 210 (petrol)/ 195 (diesel)	37% maximum	

Car Fuel

Where employer provides fuel for private motoring in an employer-owned car, CO_2-based percentage from above table multiplied by £22,100 (2014/15 £21,700).

Employee contributions for fuel do not reduce taxable figure unless *all* private fuel is paid for by the employee (in which case there is no benefit charge).

National Insurance Contributions (Table D)

Class 1 (Employees)	Employee	Employer
Main NIC rate	12%	13.8%
No NIC on first	£155pw	£156pw
Main rate* charged up to	£815pw	no limit
2% rate on earnings above	£815pw	N/A
Contracted out rebate on £112.01–£770pw	1.4%	3.4%
Employment allowance per business	N/A	£2,000

*Nil rate of employer NIC for employees under the age of 21 up to £815pw.

Since 6.4.2012, only employment with a salary-related pension scheme can benefit from the lower contracted-out NIC rates.

Employer contributions (at 13.8%) are also due on most taxable benefits (Class 1A) and on tax paid on an employee's behalf under a PAYE settlement agreement (Class 1B).

Class 2 (Self employed)

Flat rate per week	£2.80
Small profits threshold	£5,965

Class 3 (Voluntary)

Flat rate per week	£14.10

Class 3A

Contributions vary with age

Class 4 (Self employed)

On profits £8,061 – £42,385	9.0%
On profits over £42,385	2.0%

April 2015

M	T	W	T	F	S	S
		1	2	3	4	**5**
6	7	8	9	10	11	12
13	14	15	16	**17**	18	**19**
20	21	**22**	23	24	25	26
27	28	29	30			

5 End of tax year. Cut-off for income and gains between 2014/15 and 2015/16.
17 Employers pay PAYE for quarter or month March 2015, cheque to reach accounts office.
19 Last day for final 2014/15 Employer Payment Summary to reach HMRC.
22 PAYE electronic payment deadline: funds to clear HMRC's bank account.

May 2015

M	T	W	T	F	S	S
				1	2	**3**
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	**19**	20	21	**22**	23	24
25	26	27	28	29	30	**31**

1 Commencement of £10 daily penalties for 2013/14 tax returns not filed.
3 Employers submit P46(car) form showing quarter's changes to company cars.
19 Employers pay PAYE for month April 2015.
22 PAYE electronic payment deadline.
31 Employers send 2014/15 P60 to employees.

June 2015

M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	**19**	20	21
22	23	24	25	26	27	28
29	30					

19 Employers pay PAYE for month May 2015.
22 PAYE electronic payment deadline.

July 2015

M	T	W	T	F	S	S
		1	2	3	4	**5**
6	7	8	9	10	11	12
13	14	15	16	**17**	18	19
20	21	**22**	23	24	25	26
27	28	29	30	**31**		

5 Agree 2014/15 PAYE Settlement Agreement
6 Employers send P9D, P11D and annual share scheme returns to HMRC; P9D, P11D to employees.
17 Employers pay class 1A NIC for 2014/15.
17 Employers pay PAYE for quarter or month June 2015.
22 PAYE electronic payment deadline.
31 Deadline for payment of second instalment of 2014/15 tax.

August 2015

M	T	W	T	F	S	S
					1	**2**
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	**19**	20	21	**22**	23
24	25	26	27	28	29	30
31						

1 If 2013/14 tax return not filed, further £300 (or 5% of tax due if higher) penalty.
2 Employers submit P46(car) form showing quarter's changes to company cars.
19 Employers pay PAYE for month July 2015.
22 PAYE electronic payment deadline.

September 2015

M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	**18**	19	20
21	**22**	23	24	25	26	27
28	29	30				

18 Employers pay PAYE for month August 2015.
22 PAYE electronic payment deadline.

October 2015

M	T	W	T	F	S	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	**22**	23	24	25
26	27	28	29	30	**31**	

1 Corporation tax payday for companies with 31 December 2014 year-end.
5 Deadline for notifying HMRC if income tax or CGT is due for 2014/15 and no tax return received.
19 Employers pay PAYE for quarter or month September 2015, also PAYE Settlement Agreement for 2014/15.
22 PAYE electronic payment deadline.
31 Last day to file 2014/15 SA return on paper.

November 2015

M	T	W	T	F	S	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	**19**	20	21	**22**
23	24	25	26	27	28	29
30						

2 Employers submit P46(car) form showing quarter's changes to company cars.
19 Employers pay PAYE for month October 2015.
22 PAYE electronic payment deadline.

December 2015

M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	**18**	19	20
21	**22**	23	24	25	26	27
28	29	**30**	**31**			

18 Employers pay PAYE for month November 2015.
22 PAYE electronic payment deadline.
30 File 2014/15 SA return online to take advantage of coding out of income tax underpayments.
31 Corporation tax filing deadline for companies with 31 December 2014 year-end.

January 2016

M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	**19**	20	21	**22**	23	24
25	26	27	28	29	30	**31**

1 Corporation tax payday for companies with 31 March 2015 year-end.
19 Employers pay PAYE for quarter or month Dec 2015.
22 PAYE electronic payment deadline.
31 Online filing deadline for 2014/15 income tax and CGT return. Deadline for tax payments to avoid interest. Companies affected by IR35 to file Earlier Year Update for 2014/15.

February 2016

M	T	W	T	F	S	S
1	**2**	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	**19**	20	21
22	23	24	25	26	27	28
29						

1 If 2013/14 tax return not filed, a further penalty of £300 (or 5% of tax due if higher)
2 Employers submit P46(car) form showing quarter's changes to company cars.
19 Employers pay PAYE for month January 2015.
22 PAYE electronic payment deadline.
29 Deadline for payment of balance of 2014/15 tax to avoid late payment penalty.

March 2016

M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	**18**	19	20
21	**22**	23	24	25	26	27
28	29	30	**31**			

18 Employers pay PAYE for month February 2016.
22 PAYE electronic payment deadline.
31 Corporation tax filing deadline for companies with 31 March 2015 year-end.

Electronic payments due on a weekend must be made on the previous working day unless "Faster Payments" is used.

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