

# Self-Assessment Deadlines and Penalties for Individuals

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## What is Self-assessment?

The process of Self-Assessment involves filing an online or paper tax return. You inform HM revenue and Customs about your income and capital gains( profits when some assets are sold). You may also claim any tax relief you are eligible for. To file self-assessment tax returns there are deadlines that have to be met and penalties are levied if you miss them.

## Why Should you File tax return?

You have to file tax return for the following reasons:

If HM revenue and Customs sends you a notice to file your tax return. The reason is basically to ascertain you are correctly paying your taxes.

Self-employed persons and those who have businesses in partnerships. Also if you are a company director except for those who are directors of non-profit organizations where they don't get any remuneration for services rendered.

## What is Self-Assessment deadline for tax payer?

A fiscal year, which usually falls between 6<sup>th</sup> of April of one year to the 5<sup>th</sup> of April of the next year; has some key dates for filing your tax returns and making your payments. To ensure you don't miss filing your tax returns, you should know these dates. HM Revenue and Customs ( HMRC), is likely to impose penalties and surcharges if you miss them.

## Completing Self-Assessment tax returns

Self-assessment tax returns must be completed by any business owner or self-employed professional who does not pay tax to the government through the PAYE ( Pay as you earn) system, which automatically deducts tax from an employee's income.

After you complete your tax return, the government can estimate how much tax you owe to them. This also enables them to see if you are eligible for any kind of rebate. If you are not a financial wizard or find the task of adding up all the figures particularly seek the services of a professional accountant.

Professional accountants are familiar with the requirements of the revenue and customs department. They will not only take away all your botheration of filing of tax returns, but will also make you aware of all the rebates you can avail of.

Generally self-assessment tax documents are available in the month of April, filling them is a tiresome process, especially if this is your first time or you don't have in-depth knowledge of the way things work with the tax department.

The HMRC, has made considerable changes to the self-assessment tax return system, with the introduction of two individual deadlines, one for paper-tax-return submissions and the other for online-tax-return submissions.

For those who want to make paper-form submissions, the deadline is midnight 31<sup>st</sup> Oct. For online submissions it is January 31<sup>st</sup>.

While the HMRC claims that the process of filing self-assessment tax returns has been simplified, it also imposes penalties on those who do not file their self-assessment tax returns on time.

Any tax return that is filed after January 31<sup>st</sup>, a fine of 100 pounds is levied on them. Also depending upon your circumstance HMRC may also charge an interest on the amount that you owe to the tax department.

However in case of some unavoidable circumstances, HMRC may be lenient. If for some reason, your business has been unfairly taxed, you can appeal about it. As per HMRC guidelines, the complaining party should file a complaint within 30 days of receiving notice of the charge.

Notices that are sent out for late submissions of self-assessments of tax are generally accompanied by appeal forms. You can also question the decision with a written letter.