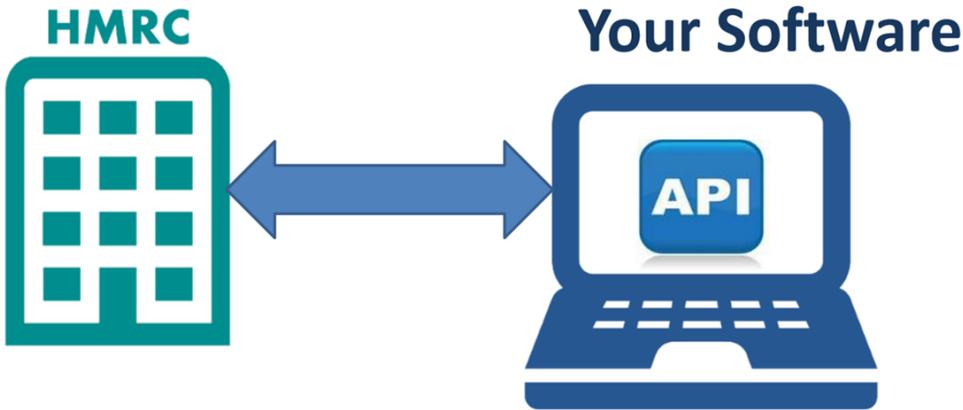


Application Programming Interface



THE RIGHT ADVICE FOR YOUR BUSINESS

Newsletter



Solid. Straight talking. By your side.

April 2019

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It's time to Make Tax Digital

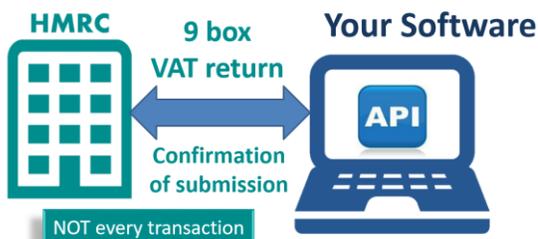
April marks the start of Making Tax Digital for VAT for businesses over the VAT Threshold of £85,000.

A small number of business will have a delayed start of 1st October 2019 but this only applies to around 3.5% of mandated businesses. This includes Groups, Unincorporated Not for Profit, local authorities and overseas traders.

2.7 million businesses are VAT registered and around 1.2 million are over the threshold of those the majority will have had to change the way they file VAT as 1.8 million were not previously using software to file returns directly.

In the Spring Statement the Chancellor said that further taxes will not now be added in 2020, which means that Income Tax and Corporation Tax are now likely to be added in 2021.

Sending and receiving information



Notice

VAT Notice 700/22: Making Tax Digital for VAT

Published 13 July 2018

Have you considered a Home Office



Working from home is a popular option for business owners and employees. Assuming you need to create office space you could either convert an existing room, loft, or garage or build a new structure in the garden.

VAT

Estimate the amount of Business & Personal Use – you can only reclaim VAT on the Business Use proportion – you might have 100% business use if you were building an office in the garden. HMRC's published and internal guidance states,

“Where a domestic room or rooms is put to business use, you may agree to an apportionment using an objective test to the extent to which the room is put to business use” ([HMRC Manual V1-13, Section 14, para 14.7, and VAT Notice 700, Section 33.](#))

The invoice should be in Business Name

You can reclaim 100% VAT on Office Equipment used entirely for business purposes (if you reclaim VAT you need to charge VAT if you sell the equipment)

Expenses

You can claim a proportion (based on the number of rooms and hours of business use) of your household expenses

- Mortgage interest or rent
- Council tax
- Water rates
- Repairs and maintenance
- Building and contents insurance
- Electricity
- Gas, oil or other heating costs
- Cleaning
- Telephone (based on usage)
- Broadband

You can draw up a home rental agreement to reclaim these costs, or claim expenses, or if the use is minimal you might find it easier to claim [£4 per week as suggested by HMRC.](#)

<http://www.hmrc.gov.uk/manuals/bimmanual/bim47825.htm>

FOR MORE INFORMATION

Contact

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Self Employed Motor Expenses

If you are self employed, you probably use your car for your business and that means you will incur costs to keep the car running.



Basically you can claim either a % of the total running costs (Actual Cost Method) or a mileage allowance payment.

The mileage allowance is 45p for the first 10,000 miles and then 25p per mile after that.

Using the Actual Cost Method you can claim a % (relating to business use) of :

Capital Allowances (these help you recover tax on the purchase price of the vehicle)

Fuel

Road Tax

Maintenance

Insurance

MOT

Repairs

You may have other costs which are 'wholly and exclusively' for business such as:

A Sat Nav to find customers and make deliveries

Off Payroll Working Rules to apply from 2020

The changes to the off-payroll rules (commonly known as IR35) that came into force in April 2017 for the public sector will be extended to the private sector from April 2020.



The Consultation ends on 28th May 2019

The Government are seeking views on the how the off-payroll working rules will work from April 2020. The reform is being extended to all sectors and this consultation seeks to ensure the proposed processes are suitable for the large and diverse sectors in which the new rules will need to be operated, as well as engagers in the public sector already applying the rules.

The consultation asks for views and information on several subjects, including:

- the scope of the reform and impact on non-corporate engagers
- information requirements for engagers, fee-payers and personal service companies
- addressing status determination disagreements

The consultation also sets out how businesses can prepare for reform, and sets out HMRC's plans to provide education and support for businesses that will be in scope of the changes.

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