



THE SPRING BUDGET 2009

# BUDGET 22 APRIL 2009

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 and traps which you may want to consider. At the back of the Summary you will find a notes page and a calendar of the tax year with important deadline dates shown.

We recommend that you review your financial plans throughout the year, as some aspects of the Budget will not be implemented until later in the tax year.

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.



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## INTRODUCTION

Alistair Darling presented his second Budget speech in his usual calm, quiet tones, occasionally having to raise his voice over the opposition MPs' cries of astonishment at the awful economic statistics that he was announcing. His predictions from last November, depressing though they were, turned out to be far too optimistic. He tried to reassure us by saying that things will get better next year, but how reliable are his forecasts now? What is certain is that the Government is very short of money, and will have to start raising cash from somewhere soon.

Mr Darling's delivery tended to disguise the significance of some of the things he said: for example, he swept away New Labour's repeated promise not to raise the top rate of tax within the life of this Parliament. In 2010/11, income tax will be levied at 50% on those with incomes above £150,000, and new rules on personal allowances will create a 60% tax band for those earning just over £100,000. Mr Cameron hopes to win an election on the back of Labour's economic problems, but then it will be his turn to try to fill the hole in the public finances – it will be interesting to hear the Conservatives' proposals for doing this as the election approaches.

Meanwhile, HM Revenue & Customs have been given new powers to inspect taxpayers' records from 1 April 2009, and new severe penalties may be imposed on people who have paid the wrong amount of tax carelessly or deliberately. Some of the Budget announcements indicated a further crackdown on tax avoiders and tax evaders. The Government – whichever side is in – will be looking for money. We will continue to provide support and advice when they come knocking.

### Significant points

- Income tax rates to rise for high earners in 2010/11.
- Further increases to come in taxation of company cars.
- Tax relief for pension contributions to be restricted for high earners in 2010/11.
- Increase in ISA investment limits.
- Extension of Stamp Duty Land Tax holiday to December 2009.
- First year allowances for purchases of plant for one year.
- New crackdown on tax evaders.

# Personal tax

## Tax rates and allowances (Table A)

The tax rates and allowances for 2009/10 were as announced in November. The allowances generally have been increased at above the rate of inflation, and the rates of tax remain 20% and 40% (10% and 32.5% for dividend income). The effect on the income tax liability of a person with total income of £50,000 is a reduction of about £696 when compared with 2008/09. However, if this is all salary, increases in NIC amounting to £353 would reduce this saving.

In November, increases in the top rate of tax for very high earners were announced to take effect in 2011/12. They have now been brought forward to 2010/11, and the top rate will become 50% rather than 45%. The dividend rate will be 42.5%, up from the present 32.5%. These top rates will apply to people with incomes over £150,000 a year.

At the same time, for those with incomes over £100,000 a year, the personal allowance will be restricted. At present the personal allowance is relieved at the marginal rate, so it is worth 40% of £6,475, i.e. £2,590. The amount of the allowance will be reduced by £1 for every £2 of income above £100,000 until it falls to zero. The effect of this will be a marginal rate of income tax of 60% in the band of approximately £100,000 – £113,000 within which the allowance is being withdrawn.

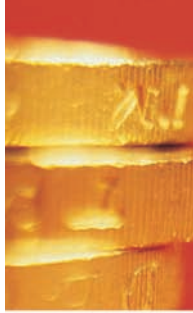
The rates of income tax on discretionary trusts will also rise in 2010/11 to match the top rates of income tax.

### TAX TIP

**Consider advancing income into 2009/10 to pay less tax, even if it is due earlier.**

## Furnished holiday lettings

For many years, losses arising on UK furnished holiday lettings have been eligible for tax relief against other income. This will stop after 2010/11. In the meantime, losses on letting of furnished accommodation in the European Economic Area which satisfies the conditions for FHL will be eligible for relief against other income.



## Tax Credits

### Rates of credit

Many of the rates of tax credit have risen in line with inflation. The figures that are most relevant to higher earners – the “family element”, £545, and the level of combined income at which it starts to be withdrawn, £50,000 – remain unchanged.

## National Insurance Contributions

### Rates and limits (Table D)

The rates of NIC remain unchanged. An increase is expected in 2011, but no further details of this were given in the Budget.

The upper earnings limit, at which employee contributions drop from 11% to 1%, has increased substantially this year in order to align it with the level at which higher rate income tax is payable. Because different amounts are subject to income tax and NIC (e.g. savings income, which is not charged to NIC), it will be rare for the thresholds to coincide exactly. What is certain is that the increase in the upper earnings limit will significantly increase the NIC payments of high earners: a higher proportion of their pay will be charged at 11% instead of 1%.

A new threshold has also been introduced for 2009/10. The “upper accrual point” is the top limit for those on contracted-out pensions to enjoy the contracting out rebates. For example, an employee with a salary-related contracted-out scheme will pay 9.4% NIC on earnings between £110 and £770 a week, then 11% on earnings between £770 and the upper earnings limit of £844, then 1% on any earnings above that.

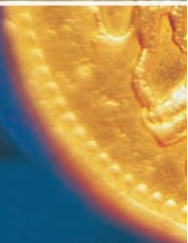
These two changes together mean that the rates of NIC may be unchanged, but the amounts of NIC deducted from the pay of high earners will increase sharply between March and April. For example, a contracted-out employee earning £4,000pm will pay £307 rather than £277 – an increase of 10%.

## Employees

### Company cars and fuel (Table C)

There are no changes to the taxation of company cars and fuel for 2009/10. The charge is based on a percentage of the list price for the car and the same percentage of a fixed figure of £16,900 for the fuel. The percentage is linked to the CO<sub>2</sub> emissions rating of the car.

It had already been announced that there will be increases to tax charges from April 2010 because the thresholds for CO<sub>2</sub> emissions will be lowered by 5g/km:



for most people this will add 1% to the percentage that is applied to the list price of the car and to the standard figure for fuel to give the taxable benefits in kind. A further 5g/km will be taken off the thresholds for 2011/12, leading to a further 1% addition to most people's percentages. For example, a petrol-engined car with a rating of 150g/km will have a percentage of 18% in 2009/10, 19% in 2010/11 and 20% in 2011/12.

The upper limit on list prices, currently £80,000, will also be removed in 2011/12, so drivers of very expensive cars will see a substantial increase in their tax charges.

## Employee accommodation

Where an employer provides residential accommodation for an employee, the taxable benefit in kind is calculated according to the rent paid by the employer or the capital amount paid for the property. An avoidance scheme has used the payment of a premium for a short lease to minimise both the rent and the capital value. New leases taken out from 22 April 2009 will be subject to tax on the employee and NIC on the employer as if the premium is a payment of rent which will be spread for tax purposes over the whole period of occupation.

## Savings

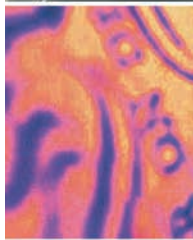
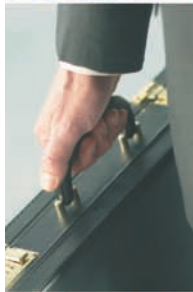
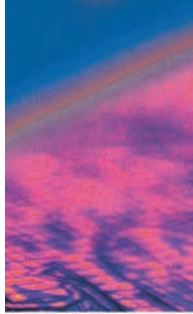
### Pension contributions (Table B)

For the current tax year, 2009/10, pension contributions will be relieved as in past years, with expected increases in the maximum amounts of contributions and tax-free funds at retirement.

Tax relief will be restricted for the highest earners – those with incomes over £150,000 – from April 2011: instead of the current relief at the marginal rate of 40%, the relief will be tapered to 20%, the same level of relief that basic rate taxpayers receive, by the time income reaches £180,000. There will be measures to stop people on very high earnings paying unusually large contributions to take advantage of the greater relief in advance of the change: if someone with earnings over £150,000 pays contributions that are greater than £20,000 and greater than the regular contributions paid in previous years between 22 April 2009 and 5 April 2011, there will be a supplementary tax charge which will have the effect of cutting the tax relief to 20%.

#### TAX TIP

**Review pension contributions but watch the anti-avoidance rule.**



## Individual Savings Accounts

The limit for investment in tax-free ISAs increases from £7,200 to £10,200. This higher limit will apply from 6 October 2009 for people aged 50 and from 6 April 2010 for everyone else. Up to £5,100 can be invested in cash ISAs. As before, the balance has to be invested in stocks and shares.

## Venture capital schemes

Minor but significant changes have been made to the Enterprise Investment Scheme, which encourages investment in unquoted trading companies. It has been necessary for the company to use 80% of the money raised within one year of the share issue and the remainder within two years. This is relaxed so that the whole of the money must be spent within two years. Up to 21 April 2009, half of an EIS investment in the first half of a tax year could be “carried back” for tax relief in the previous year. From 22 April 2009 onwards, the whole of any qualifying EIS investment made up to 5 October in the tax year can be relieved in the preceding year.

The Corporate Venturing Scheme and Venture Capital Trusts enjoy the same relaxation in the time limit for spending the money raised from share issues.

## Foreign dividends

Individuals who receive dividends from UK companies enjoy a 10% tax credit which is added to the net amount received to give the taxable income. The tax credit is then set against the tax liability, which means that a basic rate taxpayer has nothing to pay and a higher rate taxpayer pays 22.5% of the gross amount – equivalent to 25% of the net dividend. In April 2008, the tax credit rule was extended to recipients of dividends from foreign resident companies as long as they owned less than 10% of the shares.

These rules will now be extended to holders of 10% of the shares and above, as long as the country in which it is resident has a system of tax on profits similar to corporation tax. The rule will also apply to all dividends from offshore funds, unless they hold more than 60% of their investments in interest-bearing assets, in which case the distributions will be taxed as interest.

## Capital Gains Tax

### Annual exemption and rate

The annual exempt amount for CGT rises from £9,600 to £10,100. Most trusts enjoy half the personal exemption (£5,050). The rate of CGT remains unchanged at 18% on net gains after reliefs, losses and the annual exemption. Entrepreneurs’ Relief reduces the rate to 10% on the first £1m of gains on disposals of qualifying business assets.

## Agricultural property

Holdover relief allows someone who gives away agricultural property to pass on the CGT charge on the gift to the donee. Up to now, the relief has only been available for land situated in the UK. From 22 April 2009, land anywhere in the European Economic Area can qualify.

### TAX TIP

**CGT rates are low: consider investing for gains, not income.**

## Inheritance Tax

### Rates and threshold

There are no changes to IHT rates. As previously announced, the nil rate threshold rose on 6 April 2009 to gifts of up to £325,000.

### Agricultural property

A 100% relief from IHT applies to the agricultural value of agricultural property. Up to now, the relief has only been available for land situated in the UK. From 22 April 2009, land anywhere in the European Economic Area can qualify. It will also be possible to claim the relief retrospectively where a charge arose on a transfer, including a death, from 22 April 2003. Claimants will have at least a year from 22 April 2009 to ask for a refund.

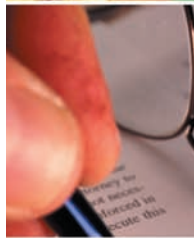
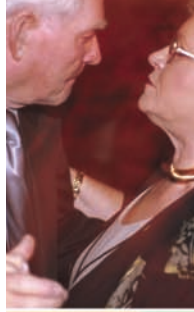
## Stamp Duty/Stamp Duty Land Tax

### Extended holiday

The one-year increase in the threshold for SDLT on residential property to £175,000 is extended by a further four months to 31 December 2009. After that, the 1% rate will again apply to purchases of residential property for consideration above £125,000 in general, or £150,000 in "disadvantaged areas". Once the threshold is exceeded, SDLT applies to the whole of the consideration: the charge on consideration of £176,000 is £1,760, not £10 (1% of the excess over £175,000).

### TAX TIP

**If you are buying a property within this band, do it in 2009.**





## Corporation Tax

### Rates of tax

The rates of corporation tax remain 28% for companies with profits over £1.5m and 21% for companies with profits up to £300,000, with a marginal rate in between those levels of 29.75%. The calculations are more complex for associated companies or those which receive dividend income. The small companies rate was intended to rise to 22% on 1 April 2009, but (as announced in November) this increase has been deferred to 1 April 2010.

### Foreign dividends

The Budget has confirmed the introduction of a package of reforms to the taxation of the foreign profits of UK corporate groups, including a tax exemption for most foreign dividends. There will be associated changes to restrict interest deductibility based on a worldwide debt cap, and also to the Controlled Foreign Companies rules.

## Business Tax

### Capital allowances

Capital expenditure on plant and machinery will enjoy a 40% first year allowance, instead of the normal 20% annual writing down allowance, if incurred in the year to 31 March 2010 (companies) or 5 April 2010 (unincorporated businesses). Businesses already enjoy a 100% annual investment allowance on purchases of plant, but this is limited to £50,000 a year. The new first year allowance will therefore benefit businesses which spend more than £50,000 a year on plant.

#### TAX TIP

**If you spend more than £50,000 a year on plant, buy before April 2010.**

### Loss relief

In the Pre-Budget Report, Mr Darling announced that businesses would be allowed to carry back losses and set them against profits for the last three years instead of only the last 12 months. This has now been extended to losses which are incurred in the accounting periods ending in the period from 24 November 2008 to 23 November 2010 for companies or the two tax years 2008/09 and 2009/10 for unincorporated businesses. Losses can be carried back one year without limit. The extended carry back is restricted to £50,000. For example, £50,000 can be carried back three years from a company's accounting period to 31 December 2008 and £50,000 can be carried back three years from the accounting period to 31 December 2009.

## Car allowances

There are important changes to the capital allowance rules for cars from April 2009. Up to now, cars which cost up to £12,000 have been put in a pool with other fixed assets and receive 20% writing down allowances; cars costing over that figure have been kept separate and the maximum WDA has been £3,000. Cars with a CO<sub>2</sub> emissions rating up to 110g/km currently enjoy a 100% first year allowance.

For new cars bought from 1 April 2009 (companies) or 6 April 2009 (unincorporated traders) onwards, the allowances on all cars will be related to the CO<sub>2</sub> rating of the car. Very low rated cars will still enjoy the 100% allowance. Cars with a rating up to 160g/km will go into the general pool and receive 20% allowances. Cars with higher ratings will no longer have a £3,000 restriction, but they will go into the special rate pool and will only receive 10% allowances. There will no longer be a balancing allowance when an expensive car is sold.

There are detailed rules for “expensive” cars bought under the old regime and for cars with an element of private use.

## Time to pay

The Business Payment Support Service, announced in November, will negotiate “time to pay” arrangements for businesses which are temporarily unable to pay their corporation tax, income tax or VAT. As long as the schedule of payments is agreed before the date on which the liability would have been due and is then adhered to, no default surcharges on VAT or surcharges on income tax will apply, although interest will accrue.

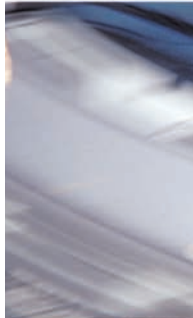
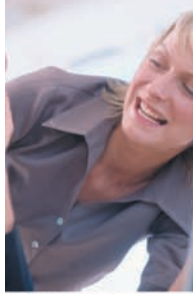
The BPSS has been extended to cover the situation where a business expects to make a loss in its current period which it will set off against profits of previous periods. The expected current loss can be taken into account in agreeing the level of payments which will be required.

### TAX TIP

**If you want to negotiate time to pay, do so before the due date.**

## Three-line accounting

The threshold for including simple three-line accounts on the tax return will in future be linked to the VAT registration threshold, so it will be set at turnover of £68,000 for the tax year 2009/10.



## Value Added Tax

### Registration threshold

The threshold of VATable turnover for registering a business for VAT rises by £1,000 to £68,000 from 1 May 2009. The level of turnover below which a business can deregister also rises by £1,000 to £66,000.

### Fuel scale rates

The VAT charge which applies where a business provides car fuel for private use by a proprietor or employee increases slightly for return periods commencing from 1 May 2009. The rates depend on the CO<sub>2</sub> emissions rating of the car and have to be obtained from the full table which is available on HM Revenue & Customs' website. The rates will change again on 1 January 2010 when the standard rate reverts to 17.5%.

### Standard rate

There were no further announcements about the standard rate of VAT. The temporary cut to 15% will therefore end on 31 December 2009, and the rate will return to 17.5% on 1 January 2010. Measures have already been announced to stop traders artificially advancing tax points for supplies in order to charge 15% to people who cannot recover VAT in respect of goods or services that will really be supplied after the rate rises.

### Cross border supplies

New rules will apply to traders supplying services to customers in other EU countries from 1 January 2010. There will be changes to the place of supply rules, which make some such supplies chargeable to UK VAT and some chargeable in the customer's country, and there will be a new requirement to report sales of services to HM Revenue & Customs on a quarterly basis. Anyone who is involved in international supplies of services will need to make their systems ready in good time.

#### TAX TRAP

**Make sure you are ready if these changes affect you.**

There will also be a new electronic refund procedure for claiming back VAT on business expenditure incurred in other member states to replace the present paper-based system. The deadline for businesses submitting claims will be extended from 6 to 9 months, and the time limit for the authorities to pay the money will be shortened from 6 to 4 months.

## Other Measures

### Offshore disclosure opportunity

In 2007, HM Revenue & Customs encouraged people with undeclared income or gains in foreign bank accounts to put their affairs in order by owning up, with the promise of a maximum 10% penalty for failing to pay the proper tax in earlier years. A further opportunity for those who have not yet come forward will run from autumn 2009 until 31 March 2010. The level of penalty has not yet been announced, but it will presumably be higher than 10%. This is described as a “final opportunity”, which implies that HM Revenue & Customs will then seek to identify and penalise more heavily those who have not taken the two chances offered.

### Naming and shaming

There are plans to enable HM Revenue & Customs to publish the names of both corporate and individual taxpayers who incur a penalty because they deliberately understated their tax liabilities by over £25,000. In addition, it is proposed that taxpayers who incur a similar penalty on £5,000 or more will be subjected to new reporting requirements: they will have to submit more detailed returns for up to 5 years to show that they have proper systems in place to be able to make a correct tax return and enable HM Revenue & Customs to monitor their compliance with their obligations.

#### TAX TRAP

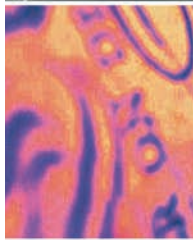
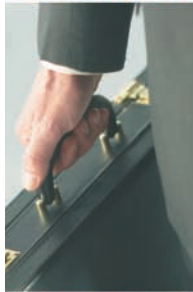
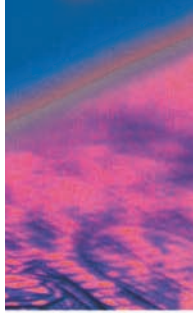
**HMRC are cracking down hard: make sure your affairs are in order.**

### Corporate transparency

For accounting periods commencing after the Finance Bill receives Royal Assent, large companies will be required to appoint a “senior accounting officer” who will be required to certify to HM Revenue & Customs that the accounting systems in operation are adequate for the preparation of accurate tax returns, or explain any inadequacies in the system and confirm that they have been notified to the company’s auditors.

### Payment plans

Proposals were announced for taxpayers to agree Managed Payment Plans, spreading their tax payments over a period straddling the normal due date, and also for HM Revenue & Customs to collect small outstanding liabilities through the PAYE system. These measures will not come into effect before 2011 or 2012.



## Late filing and payment

The penalties for late filing of nearly all sorts of tax returns, including income tax, corporation tax and PAYE but excluding VAT, will be reformed starting in April 2010 with in-year penalties for late PAYE returns. The new rules will cancel the long-standing remission of the £100 late filing penalty under self assessment if there is no tax outstanding.

At the same time, the rules under which interest is charged on late payment of tax will be reformed and made consistent. Monthly PAYE liabilities will be subject to interest on late payment for the first time from April 2010.

### TAX TRAP

**In-year penalties and interest on PAYE is a big change.**

## Vehicle “scrappage”

As widely reported in advance, there will be an incentive of £2,000 payable to anyone who trades in a vehicle which is at least 10 years old against the purchase of a new vehicle. Half of this will be paid by the Government, but the other half will be provided by the car companies. The scheme will run from a date to be announced until 31 March 2010 or until the agreed funding runs out.

## HM Revenue & Customs Charter

HM Revenue & Customs will introduce a new statutory Charter by 31 December 2009. The precise contents are still subject to consultation, but it will set out standards of behaviour and values to which the Department will aspire in dealing with taxpayers and others. In the context of the new, enhanced powers of inspection of taxpayers' affairs – announced last year and taking effect on 1 April 2009 – these safeguards for taxpayers could be very important, as long as the Charter is a substantial document.

## Closure of schemes

The Budget included, as usual, measures to close a number of specific tax avoidance schemes. Artificial schemes may work in some cases, but they are likely to have a short shelf-life and may in any case be attacked by HM Revenue & Customs through the courts.

# Income Tax Rates and Allowances

**Table A Allowances and Reliefs**

	2009/10	2008/09
<b>Allowed at top rate of tax</b>		
Personal Allowance	£6,475	£6,035
Personal Allowance (65 – 74)*	9,490	9,030
Personal Allowance (75 and over)*	9,640	9,180
Blind Person's Allowance	1,890	1,800
<b>Allowed only at 10%</b>		
Married Couple's Allowance (65 – 74)*+	N/A	6,535
Married Couple's Allowance (75 and over)*+	6,965	6,625
Income limit for age-related allowances	22,900	21,800

+only available if born before 6th April 1935

\*Age allowances are reduced £1 for every £2 by which income exceeds the income limit, until the age allowance is reduced to the normal allowance. Personal allowance is reduced before married couple's allowance. MCA is reduced to a minimum of £2,670 (2008/09: £2,540).

Bands	2009/10	2008/09
Starting (within basic rate band)*	£2,440	£2,320
Basic	37,400	34,800
Higher	over 37,400	over 34,800

\* There is 10% starting rate for savings income only. If general taxable income exceeds the starting rate limit, the 10% rate is not available.

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

Rates	2009/10 and 2008/09		
	G	S	D
Starting	N/A	10%	10%
Basic	20%	20%	10%
Higher	40%	40%	32.5%

General income (salary, profit, rent) uses starting rate and basic rate bands before savings income (interest). Dividends are taxed as the 'top slice' of income.

**Table B Pension Contributions**

The maximum annual tax efficient gross contributions (up to age 75) in 2009/10 are:

- individuals: £3,600 or 100% of earnings to £245,000
- employers: £245,000 less employee contributions

Maximum tax efficient fund (lifetime allowance) where benefits are taken in 2009/10: £1.75m. Only current earnings count for the 100% limit. It is no longer possible to use prior earnings or to carry back contributions to earlier years.



## Table C Benefits in kind

### Car Benefit Assessment 2009/10

Charge based on a percentage of the initial list price of the car; the percentage depends on the carbon dioxide emission ratings of the car, if it has one. For older cars without a rating, the percentage depends on engine capacity.

For 2009/10 the percentage for a petrol engine is 15% for ratings from 121g/km - 135g/km. The percentage increases by 1% for every complete 5g/km in excess of this (i.e. at 140,145 etc), to a maximum of 35%. Diesel cars have 3% added to this figure, but still have a maximum percentage of 35%. A lower rate of 10% (13% diesel) is available for cars with a rating up to 120g/km.

### Car Fuel Assessment

The benefit is calculated using the same percentage as that used for the car benefit, applied to a standard figure of £16,900 (unchanged from 2008/09).

The taxable amount is therefore between £1,690 (10% – min.) and £5,915 (35% – max.).

## National Insurance Contributions

### Table D Rates and limits for 2009/10

Class 1	Weekly	Monthly	Yearly
Primary Threshold – employees (PT)	£110	£476	£5,715
Upper Accrual Point (UAP)	770	3,337	40,040
Upper Earnings Limit – employees (UEL)	844	3,656	43,875

Employer's Contribution	Contracted In		Contracted Out
			Money purchase scheme
On earnings up to PT	Nil	Nil	Nil
On earnings between PT and UAP	12.8%	9.1%	11.4%
On earnings above UAP	12.8%	12.8%	12.8%

### Employee's Contribution

Contracted in: 11% on earnings between PT and UEL, 1% above UEL.

Contracted out: 9.4% on earnings between PT and UAP; 11% from UAP to UEL; 1% above UEL. Earnings over £95 per week qualify for benefit, and must be reported under PAYE, but no NICs are payable until earnings exceed £110 per week.

The reduced Class 1 rate payable by certain married women and widows is 4.85% for earnings between £110 and £770 per week, 1% above £770 per week.

Class 2 (Self-employed) Earnings over £5,075 per year	£2.40 per week
Class 3 (Voluntary) No limit applicable	£12.05 per week
Class 4 (Self-employed) Profits between £5,715 and £43,875	8%
Profits above £43,875	1%

**April 2009**

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

- 1** New car capital allowance rules apply to companies
- 5** End of tax year: Cut-off for income and gains between 2008/09 and 2009/10.
- 6** New car capital allowance rules apply to income tax trades
- 19** Employers pay PAYE for quarter or month March 2009.
- 19** 'IR35' tax due.

**May 2009**

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

- 3** Employers submit P46(car) form showing quarter's changes to company cars.
- 19** Employers pay PAYE for month April 2009.
- 19** Employers submit 2008/09 year end returns to Revenue: P14, P35, P38, P38A.
- 31** Employers send 2008/09 P60 to employees.

**June 2009**

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	<b>19</b>	20	21
22	23	24	25	26	27	28
29	<b>30</b>					

- 19** Employers pay PAYE for month May 2009.
- 30** Last day for UK business to claim VAT incurred in other EU countries under 8th Directive for 2008 calendar year

**July 2009**

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

- 5** Deadline for Tax Credit claim to commence from start of 2009/10.
- 6** Employers send P9D, P11D and Form 42 share scheme returns to Revenue, P9D, P11D to employees.
- 19** Employers pay PAYE for quarter or month June 2009.
- 19** Employers pay class 1A NIC for 2009/10.
- 31** Deadline for payment of second instalment of 2008/09 tax. Revise existing Tax Credit claim.

**August 2009**

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

- 1** If 2007/08 tax return not filed, further £100 penalty.
- 2** Employers submit P46(car) form showing quarter's changes to company cars.
- 19** Employers pay PAYE for month July 2009.

**September 2009**

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	<b>19</b>	20
21	22	23	24	25	26	27
28	29	30				

- 19** Employers pay PAYE for month August 2009.



**October 2009**

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

- 1** Corporation tax payday for companies with 31 December 2008 year end.
- 5** Deadline for notifying HMRC if income tax is due for 2008/09 and no tax return received.
- 19** Employers pay PAYE for quarter or month September 2009, also PAYE Settlement Agreement for 2008/09.
- 31** File 2008/09 return on paper for HMRC to calculate tax and code out underpayments.

**December 2009**

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	<b>19</b>	20
21	22	23	24	25	26	27
28	29	<b>30</b>	<b>31</b>			

- 19** Employers pay PAYE for month November 2009.
- 30** File 2008/09 return online to take advantage of Revenue calculation and coding out of employment income tax underpayments up to £2,000.
- 31** Corporation tax filing deadline for companies with 31 December 2008 year end.

**February 2010**

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

- 2** Employers submit P46(car) form showing quarter's changes to company cars.
- 19** Employers pay PAYE for month January 2009.
- 28** Deadline for payment of balance of 2008/09 tax to avoid surcharge.

**November 2009**

M	T	W	T	F	S	S
						1
<b>2</b>	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	<b>19</b>	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 2009.

**January 2010**

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

- 1** Corporation tax payday for companies with 31 March 2009 year end.
- 19** Employers pay PAYE for quarter or month December 2009.
- 31** Online filing deadline for 2008/09 income tax and CGT return. Deadline for payments to avoid interest. Companies affected by IR35 to file finalised P14 for 2008/09.

**March 2010**

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	<b>19</b>	20	21
22	23	24	25	26	27	28
29	30	<b>31</b>				

- 19** Employers pay PAYE for month February 2010.
- 31** Corporation tax filing deadline for companies with 31 March 2009 year end.

# Baxter Smith-Milne Limited

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## OUR SERVICES

### Taxation

- Income Tax ● Business Tax ● Corporation Tax ● Value Added Tax
- PAYE and National Insurance ● Capital taxes (including Capital Gains and Inheritance Tax)
  - Tax investigation advice & assistance ● Tax deferral

### Audit

- Statutory Audits ● Specialist audits

### Accountancy

- Financial accounts ● Monthly management accounts ● Budgets and cashflow projections
  - Book-keeping services ● Payroll service

### Small Businesses

- Comprehensive start-up service ● Financial management
  - Cost benefit analysis ● Grant claims

### Corporate Finance

- Share valuations ● Mergers & management buyouts ● Venture capital



ACCA

### Directors

Justin Smith-Milne FCCA  
Barry Baxter FCA FCCA

Registered to carry on Audit Work and regulated for a range of investment business activities by the Association of Chartered Certified Accountants