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Welcome to May's edition of the Tax Tips & News bulletin.

Now that we are officially within the 2021/22 tax year, bear in mind that it is never too late to start planning for the new tax year. Our Tax Director Sid Agarwal has published a blog that points out how the beginning of new tax year is just as significant as the end of the previous one. Read Sid's "Tax Tips for Individuals and Company Directors" to see how almost all tax payers can benefit from the sound advice and tips he offers. See <https://www.dnsassociates.co.uk/blog/tax-tips-for-individuals-company-directors>.

If you hold a property of more than £500k in a limited company, please submit the ATED return. We have reminded our client base – but you should contact us without delay if you are reading this and suddenly realise that you have missed the deadline. In that case, you should submit your return as soon as possible, as the penalties for failure to submit an ATED are steeper than the general tariff. Avoid the pain of non-submission penalties and deal with it right now!

Do you want to give your business a boost? There are some amazing schemes in this respect that are still live, including the one I favour: the Kickstart Scheme. You can benefit from Kickstart by hiring a young person 100% funded by the government. I can see no reason why any eligible business would not immediately take part in the scheme when there is absolutely everything to gain from using it. Of late, DNS have hired some candidates via Kickstart for our business. I must say, I have been blown away by the talent among these young recruits. It made me wonder why on earth they were unemployed in the first place, seeing as the majority are talented, driven graduates with skills and ideas worth nurturing. All that these young hopefuls need from the business community is our support, guidance and upliftment. In return, businesses are being given the opportunity to make a positive contribution to the future of the UK's economy without spending a penny. It's a no-brainer to me!

Hopefully, with the economy reopening, we should see some movement and growth in jobs. I have every confidence that the UK's vaccination programme will continue apace and have every hope that the impact will be positive, that we will all be able to enjoy a wonderful summer.

Don't miss out on your vaccine. Keep yourself, your family, friends and others safe by having the vaccine.

Finally, please refer to the Key Dates and Deadlines for May 2021 to be sure that you keep up to date with the filing deadlines for your business.



Kind regards,
Sumit Agarwal ACMA, ACA (India)

Sole Traders

Covid-19: Fourth SEISS grant service open

HMRC has begun contacting individuals who are potentially eligible for the fourth grant to provide them with the date on which they can make their claim. They are also making people who are not eligible for the grant aware of this fact.

[Express UK](#)

SEISS: Are you eligible for the fourth grant?

To be eligible for the fourth grant, you must be currently trading unless affected by Coronavirus and you must have traded in both of the following tax years:

- 2019–2020 (and submitted your tax return on or before 2 March 2021)
- 2020–2021

Additionally, you will need to declare that you intend to continue trading and expect significant reduction in trading profits between 1 February 2021 and 30 April 2021.

Full details of the eligibility criteria can be read [here](#).



Contractors

Controversy about employer's NIC deduction by umbrella companies is unjustified

A recent article “Money Talk: Are there options for IR35 & umbrella companies?”, published in the *Daily Express* on 27 February, has caused controversy around the issue of employer's NIC deductions by umbrella companies. This kind of article risks suggesting to contractors that they are being misled by umbrella companies and agencies, which could mean that contractors may end up believing that unlawful deductions are being made from their earnings.

Let's get this clear: the umbrella company, being that it is the employing company, is required by law to operate PAYE and NI and, therefore, like any other employer, they must in law account for the employer's NIC on the contractor's pay.

[Lawspeed.com](https://www.lawspeed.com)

Inside off-payroll: What should I do with my limited company?

Broadly speaking, you have three options if you have been assessed as inside off-payroll:

- Continue contracting through your company: Ask the fee-payer (the agency or end-client making the payment) to continue to pay your limited company. In this case, the fee-payer will be responsible for deducting, via PAYE, tax and national insurance before they pay your limited company.
- Make the company dormant: The company can be made dormant until such time you find a contract which is outside IR35 or off-payroll. The [DNS Easyswitch](#) model allows you to switch between your limited company and the DNS Umbrella solution seamlessly.
- Close the company: If you don't anticipate receiving a contract that falls outside IR35 or off-payroll, you can consider winding down the company. In this case, the net reserve position of the company will need to be evaluated to determine the best possible way to close it down.

All of these options come with their own pros and cons. To find out more, see our article “IR35 Tax Efficient Termination”, which can be [read here](#).

Landlords

Commercial rental arrears: Landlords, have your say now!

The government wants tenant businesses, commercial landlords and anyone with an interest in, or connection to, the commercial property market in England to respond to a survey.

The objective of the survey is to gather more evidence, this is in order to understand how landlords and tenants are responding to the build-up of rental arrears that has occurred due to businesses being unable to trade normally during the pandemic.

More details of the survey can be found [here](#).

Guide to incorporating your property portfolio

Landlords affected by Section 24's finance cost restriction may consider incorporating their property portfolio. The change from working as a sole trader to setting up a limited company can be completed through a process called "Incorporation". Incorporation is the process by which an existing business of a sole trader or a partnership firm is transferred to a company. This can be a newly formed company or an existing company or even an off-the-shelf company.

In the article "Changing from Sole Trader to Limited Company" we discuss the steps involved in incorporating your business. [Read here](#)



Businesses

ICAEW calls for extension of super-deduction to leasing assets

ICAEW's Tax Faculty has written to MPs highlighting that assets purchased with a view to leasing to third parties do not qualify for the new super-deduction or special rate first-year allowance for capital allowances purposes.

The faculty has therefore written to MPs (ICAEW Rep 35/21), calling on them to argue for leased assets to be included in the assets qualifying for these allowances when this year's Finance Bill is debated at committee stage in the House of Commons.

[ICAEW](#)

What is the super-deduction and first-year allowance?

The spring budget introduced a new relief for companies that make investments in qualifying new Plant & Machinery (P&M) between 1 April 2021 to 31 March 2023. Eligible companies can claim the following:

- Super-deduction allowance @ 130% for qualifying P&M within the main pool, assets that attract 18% per annum.
- Special rate first-year allowance @ 50% on qualifying special rate assets that would normally be relieved at 6% per annum.

The main purpose for introducing super-deduction capital allowances is to provide a boost to investment and productivity by encouraging firms to come forward and to make investments in plant and machinery with the aim to enhance productivity and business growth.

Please [click here](#) for all the information.

Bulletin

What were we up to this month?

Webinars



Presented a webinar in collaboration with Capitalise on how to raise funds and the ins and outs of the Recovery Loan Scheme for businesses.

The recording can be accessed [here](#).

DNS Easyswitch Package



To help contractors with the new off-payroll reforms we have launched Easyswitch, enabling contractors to shift seamlessly between the DNS Umbrella and Limited Company solution while paying only one-fee.

[Click here to know more.](#)

Kickstart Scheme



DNS Accountants are approved for the Kickstart Gateway, which businesses can use to apply for the Kickstart Scheme. We have been approved for 184 job placements so far.

[Know more](#)

Resources



We have updated our Business Expense Guide and Employee Expense & Benefits Guide for 2021. The guides can be downloaded [here](#).

Any questions, or want to find out how DNS can help you with your business accounting and tax requirements? Please call the team on 03300 88 66 86 or email info@dnsaccountants.co.uk

Key Dates and Deadlines

- 01 May 2021**
 - Corporation tax payment due for year ending 30 June 2020 for small and medium-sized companies not liable to pay by installments.
 - New VAT fuel-scale charges apply.
- 03 May 2021**
 - Filing date for printed form P46 (Car) for quarter ended 5 April 2021.
- 07 May 2021**
 - Due date for 31 March 2021 VAT returns unless exempted.
- 19 May 2021**
 - Monthly postal PAYE/Class 1 NICs/student loan payment: If you pay by cheque through the post, monthly payments due for PAYE, Class 1 NICs and student loan deductions from April 2021.
 - Construction Industry Scheme (CIS) return: Monthly return due for the period up to the 5th of the previous month.
- 21 May 2021**
 - File online monthly EC sales list: Note that this is only relevant for Northern Ireland-based business which sell goods.
 - Submit supplementary intrastate declarations for April 2021. Note that this applies to arrivals only for GB businesses and arrivals and despatch for Northern Ireland-based business.
- 22 May 2021**
 - Monthly electronic PAYE/Class 1 NICs/student loan payment: If paying electronically, pay PAYE, Class 1 NICs, student loan deductions and deductions from payments to subcontractors for the month up to the 5th of April 2021.
- 31 May 2021**
 - Employees at 5 April 2021 and anyone who pays tax that is deducted at source should by now have received form P60 from their employers.
 - Company accounts filing deadline – file your company accounts with Companies House for the period ending 31 August 2020.
 - Corporation tax return: Filing deadline for corporation tax return self-assessment form CT600 for the period ending 31 May 2020, must be submitted to HMRC.

DNS

Accounting Group



03300 886 686

info@dnsaccountants.co.uk



020 3500 2658

info@dnsumbrella.co.uk



01908 041 755

info@cloudcogroup.co.uk



02089 521 120

info@korklin.co.uk



01633 253 377

info@philbessantltd.co.uk



01225 790 224

andrew@barnettandco.com

Get in Touch

DNS ACCOUNTANTS

03300 886 686

info@dnsaccountants.co.uk

www.dnsaccountants.co.uk

DNS House, 382 Kenton Road, Harrow, Middlesex, HA3 8DP

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