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

More than 60% of UK population is fully vaccinated and hopefully we will be able to get fully back to normal life albeit with caution. The Delta Variant remains a concern globally and how it mutates and reacts to vaccines is a big factor in order to open up the economy and give it the required boost.

Overall the UK plc economy is picking up faster than expected and tax collection was £66bn higher than the same period last year. The UK economy will surely bounce back as households are sitting with savings of around £300bn, which is the highest in history. The biggest concern remains inflation and there may be sudden increase in the rate of interest if inflation is higher.

There is another theory which is once furlough stops in September there may be dip in the housing market, which may eventually result in a slowdown in the market. Material prices have gone up by more than 25% in the last 6 months and steel alone has gone up by more than 40%. We've never seen so many changes in such a short span of time, so the construction industry is facing some formidable challenges ahead. Many Landlords / Property investors have enjoyed short term success in the property market in the last year, due to the stamp duty holiday. With this ending, surely there will be slowdown in the number of transactions which are heating up to the end of June. Overall construction and property is the heart of UK Economy, so this remains an interesting area to keep an eye on in the coming 12 months.

The contracting industry remains buoyant and hopefully new off payroll rules should not affect the dip in the contracting market. The umbrella industry is poised for significant changes in regulations and all the dirt / bad practices will be under scrutiny. So in the near future some changes in regulations are expected. DNS being part of FCSA group is at the forefront of adopting these changes.

To conclude, the Delta variant remains a challenge and hopefully vaccines can cope with this variant. I am quite positive about UK plc and the economy bouncing back. Enjoy your summer and here at DNS we wish you all great summer ahead.

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



Kind regards,
Sumit Agarwal ACMA, ACA (India)

General news and views

HMRC enquiry programme into Covid-19 support schemes

HMRC is set to recover over £1bn of fraudulent or mistakenly claimed furlough money over the next two years. They have received a funding of £100 million to finance the Covid fraud taskforce and opened 10,000 one to one enquiries and 60,000 one-to-many enquiries to investigate the fraud.

[AccountancyDaily](#)

End of Stamp Duty holiday

In July 2020, the level at which Stamp Duty needs to be paid was increased from £125,000 to £500,000. This is now reduced to £250,000 from 1 July 2021 and will revert to normal rates from 1 October 2021. Read more to find out key dates for Stamp Duty holiday.

[Express](#)



Sole Traders

Penalties for over claiming SEISS

If you have received too much in SEISS grant or have wrongly claimed the grant, you have 90 days from the date you received the grant to inform HMRC about the error, or else you could be subject to penalties.

Full details on penalties for over claiming SEISS can be read [here](#).

SEISS fifth grant

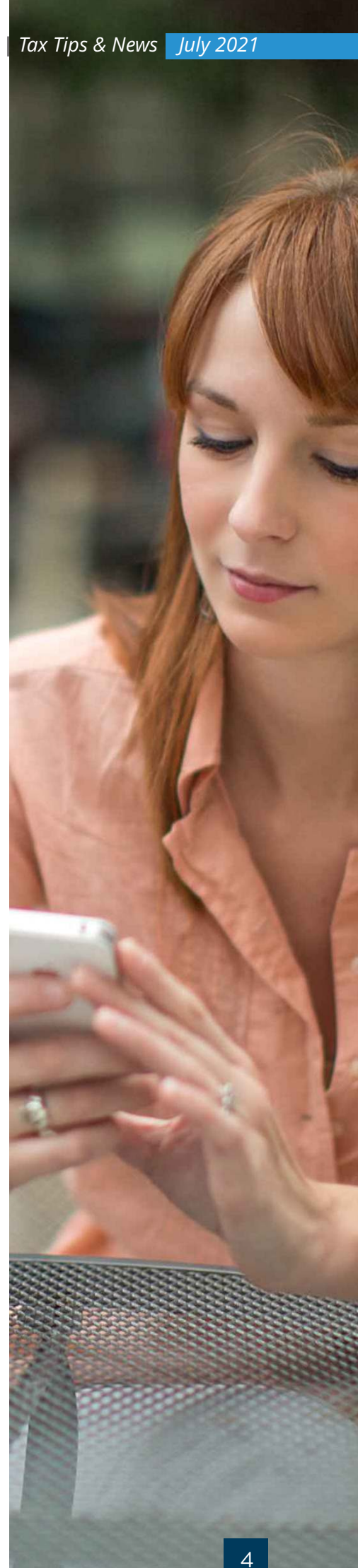
A fifth SEISS grant covering May 2021 to September 2021 will be opened to claims from late July 2021.

Information on the eligibility criteria and how much you will receive is given [here](#).

Clamp down on bogus self employment

Following the changes to IR35, many businesses have started engaging workers as self-employed to circumvent the legislation. HMRC will still treat this as false self-employment and your business could be liable to pay tax and national insurance contributions. It could be further liable to pay holiday pay and benefits if the worker files a lawsuit to claim employee rights.

Read the full report [here](#).



Contractors

Contractor vs employee, what's the best option?

Some people think that there are many advantages to being a contractor rather than an employee such as large tax advantages or the ability to earn more money.

However, the benefits of being a contractor are not always so beneficial, considering the loss of employment rights and security that employees have. So, are the financial & non-financial benefits of being a contractor still worth it?

Our recent blog explains the pros and cons of being a contractor and the financial benefits that contracting can bring. [Read here.](#)

LITRG urge government to take action to protect umbrella company workers

The Low Incomes Tax Reform Group (LITRG) is adding its voice to growing calls for regulation of umbrella companies, starting with implementing previous proposals. So far proposed legislation has not been implemented, the Single Enforcement Body has not materialised and there is no current Director of Labour Market Enforcement. As a result, low-income workers continue to be at risk of working through non-compliant umbrella companies, warns LITRG.

[LITRG](#)



Landlords

Eviction ban phase out

The evictions ban ended on 31 May 2021, however, bailiffs have been asked not to carry out an eviction if anyone living in the property has Covid-19 symptoms or is self-isolating.

From 1 June 2021, notice periods - which had previously been extended to six months' notice - were reduced to four months' notice. The announcement also said that, "subject to the public health advice and progress with the Roadmap", notice periods will return to pre-pandemic levels from 1 October 2021.

Full details can be read [here](#).

HMRC hands out £1.3m in late filing penalties for Capital Gains Tax

From April 2020, individuals selling UK residential property are required to report and pay the Capital Gains Tax (CGT) within 30 days of completion.

In the last six months of 2020, HMRC sent out 13,113 late filing penalties to landlords and second homeowners who missed the new 30-day tax window with 3,764 late filing penalties issued at the end of the third quarter (Q3) and 9,349 at the end of Q4.

[Read more](#)



Businesses

VAT: EU One-Stop Shop (OSS) to launch on 1 July 2021

From 1 July 2021, the EU has introduced a simplified VAT system for e-commerce businesses selling to consumers - One-Stop-Shop ('OSS'). This will replace the obligation to VAT register in every country where sellers are making sales to EU consumers from stocks in a single EU location

Under the OSS, B2C sellers dispatching their goods from a single country will no longer be required to register for foreign VAT and complete multiple VAT filings in countries where they are selling. Instead, they can opt to simply complete and file a new OSS filing alongside their regular domestic VAT return that will list all their pan-EU sales.

For more details on OSS, please [click here](#)

How to boost your profit?

Want to make your company more profitable? Profit drivers are factors that have a significant impact on your bottom line and can significantly increase your profit. Owners have to grapple with loads of information about their business but knowing which financial and non-financial information to really focus on to increase profits is crucial.

Please [click here](#) to read the full article.



Bulletin

What were we up to this month?

Webinars



Our tax director, Siddharth Agarwal presented a webinar on “Tax Planning for Owner Managed Businesses (OMBs)”.

In collaboration with Nomisma, our accounting software partner, we conducted a webinar on “Getting the best out of Cloud Bookkeeping Software”.

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

DNS Super Referral Program



Our referral program has been designed to reward clients who help us get more customers through their recommendations. With our super referral program you can get a discount of 100% on your accounting fees and cash rewards.

[Click here](#)

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 200+ job placements so far. [Know more](#)

Resources



We have added new tools to calculate personal income tax and capital gains tax. The calculators can be accessed [here](#).

If you have any questions, or want to find out how DNS can help you with your business accounting and tax requirements? Please call the team on 0330 088 6686 or email

info@dnsaccountants.co.uk

Key Dates and Deadlines

- 01 July 2021**
 - Corporation tax payment due for year end 30 September 2020, for those companies not liable to pay their liability by instalments.
 - Introduction of EU VAT One-Stop Shop (OSS).
- 06 July 2021**
 - PAYE settlement agreements - Final date for agreeing any PAYE settlement agreements for tax year 2020/2021.
 - Employment related securities (ERS) – Form 42: return for ERS for 2020/2021.
- 07 July 2021**
 - VAT return - Due date for 31 May 2021 VAT returns unless exempted.
- 14 July 2021**
 - CT61s for quarter ended 30 June 2021.
- 21 July 2021**
 - Intrastat - Due date for payment of supplementary declarations for June 2021.
- 22 July 2021**
 - NICs electronic payments for 2020/2021 - Deadline for any electronic payments to reach HMRC for any outstanding class 1A NICs for the year ending 5 April 2020.
 - 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 June.
- 31 July 2021**
 - Deadline for self-assessment (payment on account) - Deadline for second payment on account for tax year ended 5 April 2020.
 - Company accounts filing deadline - Deadline for filing of company accounts with the company house for the accounting period ending 31st October 2020.
 - Corporation tax return -The filing deadline for corporation tax return form CT600 for the period ended 31 July 2020 to be submitted to HMRC.

DNS

Accounting Group



03300 886 686
info@dnsaccountants.co.uk



02071 481 706
info@dnsaccountantsfranchise.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

