

NEW PENALTY REGIME

HMRC has issued a reminder about new self-assessment penalties for late returns and late payments, which come into effect this Autumn.

HM Revenue & Customs (HMRC) is reminding individuals and businesses about new Self Assessment penalties for late returns and late payments, which come into effect this autumn.

The changes will affect Self Assessment returns for 2010/11, and all future financial years.

The new penalties for late submission of Self Assessment returns are:

- an initial £100 fixed penalty, which will now apply even if there is no tax to pay, or if the tax due is paid on time;
- after 3 months, additional daily penalties of £10 per day, up to a maximum of £900;
- after 6 months, a further penalty of 5% of the tax due or £300, whichever is greater; and
- after 12 months, another 5% or £300 charge, whichever is greater. In serious cases, the penalty after 12 months can be up to 100% of the tax due.

New penalties for paying late are 5% of the tax unpaid at:

- 30 days;
- 6 months; and
- 12 months.

Interest will also be charged on top of these penalties.

The tax return deadlines remain unchanged – 31 October for paper and 31 January for online returns. The deadline for paying any tax due also remains the same at 31 January.

Further information on the new penalties is available from the HMRC website at www.hmrc.gov.uk/sa/deadlines-penalties.htm