

## FACTSHEET 22

### Tax Return: Late Submission ... What Happens?

#### No Tax Calculation

If you submit your tax return after 30 September but have not performed the tax calculation required within the return then the Inland Revenue cannot guarantee to perform the calculation in time to advise you of how much tax to pay by 31 January. You may then have to make an estimate which may leave you underpaid or overpaid. Underpayment may result in an interest charge and possibly a surcharge.

#### Tax Return Not Submitted On Time

If you don't submit your tax return by the deadline (normally 31 January following the end of the tax year) you will have to pay an automatic fixed penalty of £100. If you still haven't submitted the tax return within six months after the deadline you will have to pay a further £100. It is worth noting that these penalties cannot be greater than the amount of tax due.

#### Continued Failure To Submit Return

In due course the Inland Revenue may estimate the amount of tax that they believe you owe and notify you of this. This is called a 'Determination of Tax Due'. The Inland Revenue will use this determination to calculate your self assessment tax. A determination cannot be appealed; it can only be replaced by the eventual submission of the completed tax return.

#### Penalties For Partnerships

Although only one person is nominated as being responsible for the Partnership Tax Return, any penalties incurred for the late submission of that tax return will result in penalties being imposed on all of the partners.

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### Late Payment of Tax

The Inland Revenue will charge interest on any tax not paid by 31 January after the end of the tax year and on any late payments to account. They will also apply a 5 per cent surcharge on any tax not paid by 28 February with a further 5 per cent on any tax not paid by 31 July.

**For further advice and before taking any action please give me a call.**

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