



FACTSHEET 23

Tax Return: What Happens After Its Submitted ?

Details Checked

When they receive your Return the Inland Revenue enter the figures on to their Self Assessment computer system . If they spot any obvious mistakes they will correct them and advise you by letter . If you don't agree with the corrections you can ask the Inland Revenue to reverse or amend them .

Tax Calculation

If you have asked the Inland Revenue to work out your tax from the figures you have provided on the Return then they will proceed to do this by sending you a tax calculation that explains how much you owe .They will also send a tax calculation to you if you have worked out the tax yourself but have made a mistake which the Inland Revenue have corrected .

Statement of Account

For everyone who gets a tax return the Inland Revenue open an account . They will send you statements showing tax liabilities , payments you have made and dates of payment . The statement will also show how much you still owe and will set out the dates you need to pay it by .

Making Payments

To avoid having to pay interest and possibly surcharges payments of tax must be made by the due date .

The Normal Payment Dates For Tax

Most self employed people make two payments on account for the tax year before the tax return for that year is due . These payments on account are required to be paid on 31 January in the tax year and on 31 July following the end of the tax year .

When your tax return is submitted the Inland Revenue will compare your tax bill for the year with the payments to account that have already been made by

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you . If you've paid too much they will repay the excess . If you haven't paid enough they will ask you to pay the balance on 31 January following the end of the tax year .

You will not need to make payments to account if :

- Each payment would be less than £250 , or
- 80 per cent of your income tax and Class 4 NI contributions bill for the previous year was paid for by tax deducted at source .

In this circumstance your tax bill would be one payment due on 31 January following the end of the tax year .

Reducing Your Payments To Account

If you believe that the total payments to account will add to more than the tax that you are likely to owe for that year then you can apply to the Inland Revenue to have the payments to account reduced . There is a box on the tax return to indicate that such a request has been made . Alternatively , Form SA303 can be used to make the claim .

Payment of Tax

You can pay :

- through your bank (using telephone or internet banking , BACS , CHAPS or other electronic payment methods)
- at your bank using bank giro
- at the Post Office ; or
- direct to the Inland Revenue by cheque

Refunds of Tax

Within the tax return you can indicate whether you want any overpaid tax to be repaid direct to you or to someone else you nominate .

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Inland Revenue Enquiry

Occasionally the Inland Revenue may need to ask you questions about entries made on your tax return . If they require to do this they will write to you notifying you that they are about to open an 'enquiry' . This will normally be within one year from the 31 January following the end of the tax year to which the Return relates .

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

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