# INSIDER

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## TWO MILLION PEOPLE MISSED SELF-ASSESSMENT DEADLINE

**More than two million people missed a self-assessment tax return deadline on 31 January 2022, according to HMRC.**

The tax authority said more than 10.2 million returns were filed ahead of the original deadline, leaving 2.3m still to file.

Late-filers had until 28 February 2022 to file their 2020/21 tax returns online before being fined, due to pressures ensuing from the pandemic.

However, interest on outstanding tax bills is accruing at 3% and HMRC's late-filing penalties regime kicks in as usual from 1 March 2022.

Late-paying taxpayers have until 1 April 2022 to pay their tax bills in full, or set up a time-to-pay arrangement.

These arrangements spread the cost of repaying tax bills of up to £30,000 into manageable monthly instalments, usually over a period of up to 12 months.

A 5% late-payment penalty will be charged if tax is not paid or a payment plan has not been set up by midnight on 1 April 2022.

Myrtle Lloyd, director-general for customer services at HMRC, said:

"I'd like to thank the millions of customers and agents who sent us their tax returns and paid in time for January's deadline.

"Customers can set up a monthly payment plan online if they're worried about paying their tax bill."

More than 10.2m people filed their 2020/21 tax returns on time, down from 10.7m last year.

**Contact us about any aspect of self-assessment.**

## £50M SHOT IN THE ARM FOR THE UK'S CREATIVE BUSINESSES

**Film-makers and video-game developers will be among the creative firms that can benefit from a new £50 million pot.**

The Department for Culture, Media and Sport (DCMS) has announced a multi-year UK global screen fund will open soon.

That will provide £21m towards promoting UK films globally over the next three years, following a successful trial run over the last 12 months.

In addition, the creative scale-up programme offers £18m of new funding to help creative firms grow outside of London.

A further £8m has been earmarked via the UK games fund to offer £25,000 grants to entrepreneurial, startup developers to support business development.

DCMS said, on average, domestic-based creative industries are growing almost two times faster than other sectors of the UK economy.

Nadine Dorries, culture secretary, said:

"The creative industries in the UK are truly world-class and this will provide them with the tools they need to expand and provide even more jobs."

Caroline Norbury, chief executive at Creative UK, added:

"This funding rightly recognises the power of our sector and the vital importance of investing in creativity to drive growth and innovation across the UK."

The Government intends the funding to help "drive economic growth around the UK" as part of its wider levelling-up initiative.

**Speak to us about your business growth plans.**

## HMRC EYES REFORM OF STAMP TAXES AND MULTIPLE DWELLINGS

**Changes to reform multiple dwellings relief and how stamp duty land tax is calculated on purchases of mixed-use properties could be in the pipeline.**

A 12-week consultation closed last month, after HMRC sought feedback on proposals to crack down on abuse by restricting homeowners from obtaining the relief.

Multiple dwellings relief is available when at least two dwellings are purchased in a single transaction, or as part of a series of linked transactions between the same vendor and purchaser.

The buyer can choose to apply the rate of stamp duty land tax determined by the average value of the dwellings, rather than the combined value of the purchase.

This enables the buyer to benefit from multiple nil-rate and lower percentage bandings, significantly reducing their stamp duty land tax liability.

HMRC could restrict the relief so it can only be claimed if all properties are, or a single property is, bought for a qualifying business use.

Alternatively, the tax authority could introduce a subsidiary dwelling rule to prevent smaller subsidiary dwellings, such as a 'granny annex', from qualifying for the relief due to their size or value.

The other option was for the relief to only apply to purchases which include three or more dwellings, meaning a lot of properties could fall outside of scope for the relief.

Mixed-use properties are those which consist of both residential and non-residential uses, such as a flat above a shop or pub. Purchases of these properties are subject to stamp duty land tax at the non-residential rates.

These rates offer lower stamp duty land tax bands and are not subject to any surcharge, leading HMRC to believe some purchasers have gained from including token amounts of non-residential property within residential purchases.

To close this loophole, either a new apportionment basis or a new threshold, so that more than 50% of the purchase must include non-residential property to qualify as mixed-use, could kick in.

**Talk to us about property taxes.**

## 'DITCH NICS INCREASE TO FREE UP FUNDS FOR APPRENTICES'

**The Treasury is being urged to consider a late U-turn on introducing the National Insurance contributions (NICs) increase next month to boost apprenticeships.**

All NICs rates will increase by 1.25% from April 2022 to help fund the development of the new health-and-social-care levy, which kicks in from April 2023.

The Federation of Small Businesses (FSB) wants ministers to ditch increasing the so-called 'jobs tax' to help recover lost apprenticeship numbers.

The FSB claimed apprenticeship starts fell from just under 500,000 a year in 2016/17, before the introduction of the apprenticeship levy, to under 325,000 in 2020/21.

To address this downward trend, the FSB wants the Treasury to remove all employer NICs costs for apprentices, plus cancelling the planned increases to NICs and dividend taxation to free up funds for recruitment and training.

It also would like the apprentice payment, which was worth £3,000 to employers that hired apprentices, to be reinstated after the scheme closed on 31 January 2022.

Mike Cherry, chairman at the FSB, said:

"By looking again at its approach to NICs, the Government can make a real difference here – directly, by bringing down the immediate costs of taking an apprentice on, and indirectly, by freeing up more funds for recruitment and training at a moment when cash reserves are depleted.

"Small businesses disproportionately hire young people and those from disadvantaged groups when they create apprenticeships, so a targeted reintroduction of the hiring incentive that existed over lockdowns makes sense in the context of the levelling-up agenda."

However, the Government has no intention to renege on its promise after a spokesperson said Chancellor Rishi Sunak is "fully committed" to increase NICs and dividends tax.

Despite being written into law, this could yet change amid growing concerns over rising energy prices and the cost-of-living crisis engulfing many households.

**Contact us to discuss managing costs.**