



Personal Tax Management
R.L.D. Atkins & Co
Accountants & Tax Advisers

NEWSLETTER

OCTOBER 2019

Welcome our October newsletter detailing the recent updates in Taxation which we hope you will find informative and interesting. If you have any queries regarding the below or, if applicable, how these changes will affect your business, then please do not hesitate to contact us.

Making Tax Digital for VAT

Making Tax Digital for VAT has officially launched and if your Vatable turnover is above the £85,000 threshold, you should be submitting VAT Returns under the new system. Your first VAT Return, with VAT period starting after the 1 April 2019, must be submitted under the new Making Tax Digital for VAT rules. Importantly, the rules state that you must keep the VAT Account in electronic format contained within your software and submit your VAT Returns via electronic means.

If you are currently registered for VAT and the Vatable turnover of your business has not exceeded the threshold of £85,000 in the previous twelve months' then you can still use the online portal to file your VAT Returns. However, if at any point your Vatable turnover exceeds the registration threshold of £85,000, you will need to start filing Returns digitally from the period immediately following the one they first exceeded it. You will need to, therefore, keep track of this on a quarterly or if you submit VAT returns monthly on a monthly basis. If we prepare your VAT returns, we will have this covered for you.

Corporation Tax Rate Fall

From the Corporation tax year beginning 1 April 2019, the Corporation Tax rate remains at 19% but as previously announced by the Government, it will be reduced to 18% for the year beginning 1 April 2020. Therefore, you may wish to consider bringing forward any large expenditure projects into the 2019 year to obtain the extra 1% tax relief on this expenditure.

Residential property sales that are not your main residence

For those that have let residential property that is not your elected main residence, the rules regarding reporting and paying the tax on the capital gain arising when the property is disposed of is changing from the tax year beginning 6 April 2020.

Prior to 6 April 2020 any gain on disposal would be disclosed on your Self-Assessment Tax Return relating to the Tax year in which the disposal took place and the tax paid on 31 January preceding that tax year. However, from 6 April 2020 any gain on a disposal of residential let property and capital gains tax due and arising must be **paid and reported** to HM Revenue and Customs within **30 days after the date of completion**. There are also new rules regarding when a capital loss is made and how this can be offset against any future capital gain in that tax year.

If any of the above is pertinent to your business and you would like to ask any questions, please do not hesitate to contact us.

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