haysmacintyre

TAX RETURN AIDE MEMOIRE

2024

Contents

Introduction

Welcome to the start of a new tax year.

Your haysmacintyre team is ready to prepare your 2023-24 tax return, and hope that this aide memoire will assist you in collating the required information and documents.

Please get in touch by the following dates should you require support:

- By 30 June if you wish us to check your 31 July 2024 payment on account; and
- By 31 October at the very latest, to be sure of meeting the filing deadline.

If you are due a repayment from HMRC, the sooner you submit your return, the sooner you will receive your repayment.

As a reminder, Making Tax Digital for Income Tax will apply to the self-employed and those with rental income in just under two years' time. From April 2026, real time, digital tax records will be required.

In preparation, please ensure you have set up your Personal Tax Account, and that you operate a separate bank account for your self-employment and/or rental income and expenses.

Please do not hesitate to contact us if you have any queries, or if we can assist in any way.

Aide Memoire 2024

With the numerous types of income and tax-deductible items on a tax return, it's easy to forget about a source of income or a relief to which you may be entitled. The checklist below has been designed to remind you of any such income/relief that you can claim when reviewing your records.

Earnings, business profits and pensions

- ☐ Form(s) P60 and P45 (if applicable) for all employments and/or pensions.
- ☐ Form(s) P11D for all employments.
- ☐ "Month 12" payslip to confirm your pension contributions (employees and employers).
- ☐ Details of share awards or options granted or exercised in connection with an employment.
- ☐ Details of redundancy and compensation payments.
- ☐ Your state pension or other pension income, including overseas pensions (including a note of any foreign tax incurred).
- ☐ Summary of self-employment income and associated expenditure.

Interest received

- ☐ Interest received from all bank/building society/national savings account(s), Treasury Stock and interest from stockbrokers/solicitors.

Interest paid

- ☐ Any qualifying **loan interest paid.**

Please contact us if you are unsure if your loan qualifies for tax relief (the tax relief is now restricted against mortgage interest on a let property).

Assets/investments

- ☐ Investment manager consolidated tax voucher.
- ☐ Details of any assets acquired and/or disposed of, including Social Investment Tax Relief (SITR), Seed Enterprise Investment Scheme (SEIS), Enterprise Investment Scheme (EIS) or Venture Capital Trust (VCT) investments.
- ☐ All dividend vouchers and/or interest certificate unless already included in the investment manager's tax voucher.

Property

- ☐ Details of rental income and related expenditure, including letting a room in your main residence or Airbnb, both in the UK and overseas.
- ☐ Details of any property purchased and/or sold, including any change in your principal private residence.
- ☐ Please note as of 6 April 2020, disposals of residential properties are required to be reported to HMRC via the new Capital Gains Tax (CGT) return within 60 days of completion. If there is a gain, any tax due will be payable at the same time.

Other income

- ☐ Trust or settlement income – please provide form R185 if available.
- ☐ Details of all minimal or occasional trading/property income to which the £1,000 trading and property allowances might apply.
- ☐ Any bonus or reward payments from your bank and/or building society.
- ☐ Chargeable event certificates in respect of partial/full surrender of life assurance policies.

Do you hold assets in your name for the benefit of someone else? This could be as a trustee or a more informal arrangement. Since 2022, all trusts and similar arrangements are required to be registered with HMRC. This involves providing certain information regarding the trustees and beneficiaries and the assets involved. If this applies to you, please contact us for further information. There are certain categories which do not require registration, including charitable trusts, will trusts, life policy trusts and any arrangement where the asset is valued at less than £100.

Charitable donations

- ☐ Details of payments made under Gift Aid in the year to 5 April 2024.

Charitable donations paid in the current year up until the date of the submission of your 2024 Tax Return can be carried back and included in your 2024 Tax Return. Please note charitable donations made to EEA/EU registered charities after 15 March 2023 no longer qualify for tax relief (subject to a few entities which have "asserted their UK charitable status"). Please contact a member of our team if you are unsure whether your donation will qualify for Gift Aid.

Pensions

A note of all pension contributions and retirement annuity premiums (RAPs) split as follows:

- ☐ Personal contributions made to a registered personal pension scheme or RAP, including a note of the provider(s).
- ☐ Payments to any workplace pension scheme, including the split between employer and personal contributions. Please indicate whether these contributions are made from your gross salary or net of PAYE deductions. If you are unsure, please send us a copy of your March payslip or contact your pension provider.
- ☐ Details of employer contributions and details of any defined benefit schemes that you may be a member of. It's worth noting that the contributions are not always obvious and therefore if you have any queries, please let your advisor know.

Please note that for the 2023/24 tax year the annual allowance was £60,000 (gross). However, this allowance may be reduced to £10,000 for people earning more than £200,000. If you are in doubt, please contact us. Unused pension relief can be carried forward for three tax years. Finally, please also give details of your lifetime allowance and whether this has been protected, along with any relevant correspondence from HMRC or your pension provider(s).

If a pension charge is applicable, there is an option for the tax to be paid personally or via a scheme pays election if the liability exceeds £2,000. This election allows HMRC to contact your pension provider to directly arrange payment of the charge as opposed to you meeting this personally. In most circumstances. this election must be made by 31 July 2025 for the tax year to 5 April 2024.

Marriage Allowance

The Marriage Allowance allows you to transfer £1,260 of your Personal Allowance to your spouse, reducing their tax by up to £252. The benefit as a couple is available if one of you has taxable income below the Personal Allowance of £12,570 with your spouse earning up to £50,000. If this is applicable for prior years, this can be backdated up to and including any tax year since 6 April 2020 (2020/21 tax year) before the deadline of 5 April 2025.

VAT threshold

If you are in receipt of trading income and/ or income from furnished holiday lets that exceed £85,000 per annum, you will be required to register for VAT. From 1 April 2024, the registration threshold will increase to £90,000. If your income levels are around this figure per annum, please get in touch with your usual haysmacintyre contact.

Child Benefit

- ☐ The amount of Child Benefit received by you or your spouse/partner.
- ☐ Child Benefit is taxable when the chargeable income of you or your spouse/partner exceeds £50,000 (£60,000 from 6 April 2024), thereby generating a High Income Child Benefit Charge (HICBC). This charge will be levied on the higher earner for each applicable tax year. We recommend liaising with your spouse/partner to ensure that the amount is being declared on the correct return. Equally, please advise if you/your spouse/partner stopped receiving Child Benefit during the year.

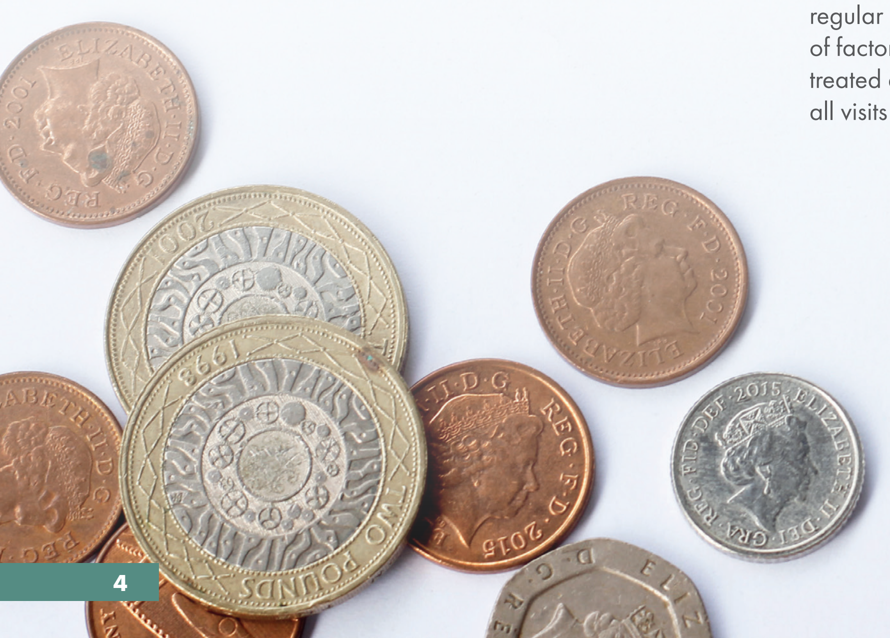
Student loans

Please advise if you are liable to make student loan repayments either via the fixed term repayment loans or the income contingent loans, please specify the balance of loan outstanding, expected cessation date (if known), and provide documentation of any deductions via your employment.

For non-residents only

If you are in the UK for fewer than 183 days, you might still be tax resident for the year. You should always look at the pattern of your lifestyle when determining residence in the UK.

For example, if you are someone who comes to the UK on a regular basis and have a lifestyle pattern or have a number of factors connecting you to this country, you are likely to be treated as resident here. Please provide us with a schedule of all visits to the UK during the year ended 5 April 2024.



Non-domicile

If you have been a UK resident but not domiciled for seven of the last nine tax years, you will need to decide whether to be taxed in the UK on your worldwide income and gains (the arising basis) or to remain taxed only on the income and gains you bring into the UK (the remittance basis). If the latter applies, you may have to pay the Remittance Basis Charge (RBC) of £30,000 if you are a UK resident but not domiciled seven out of the last nine tax years, or £60,000 if you are a UK resident but not domiciled for 12 of the last 14 tax years.

If you are not domiciled but have been a UK resident for less than seven of the last nine tax years, the old remittance rules still apply and you will not be liable for the RBC.

In the above cases, claiming the remittance basis also means that you will lose your entitlement to the Personal Allowance and the CGT annual exemption.

There is also an exemption from the RBC if your overseas income and gains total less than £2,000 per year and are not remitted.

Once you have been a resident in the UK for more than 15 out of the last 20 tax years, you will be deemed UK domicile for IHT purposes and for Income Tax/CGT. Therefore, the option to elect for the remittance basis will no longer be available.

The current remittance basis is due to be abolished on 6 April 2025 and the intention is for this to be replaced with an ability to opt into a regime whereby you do not pay UK tax on any non-UK income and gains arising in their first four years of tax residence ('the four year exempt Foreign Income and Gains (FIG) regime'), provided you have not been UK tax resident in any of the previous 10 tax years.

The intention is to introduce three separate transitional reliefs including the Temporary Repatriation Facility (TRF), reducing the income taxable in 2025/26 by 50% and capital gains rebasing assets at 5 April 2019. Given how complex these changes are, and, at the time of print, there is still an element of uncertainty due to the consultation process still ongoing, please check our detailed up to date response on our website.

Making Tax Digital (MTD)

The introduction of Making Tax Digital (MTD) for Income Tax has been delayed from April 2024 to April 2026 with a new, phased implementation plan announced. As announced previously, eligible individuals and partnerships will be required to file quarterly submissions to HMRC, along with keeping digital records. Please get in touch with your usual haysmacintyre contact on any queries you have on MTD to ensure you are ready for any impact it may have on you/your business.

Despite the introduction of MTD being delayed, HMRC is continuing with the process of abolishing non-coterminous year ends as of April 2025, with a transitional period for the year to 5 April 2024. This means that taxpayers will be forced to produce accounts to 5 April per year. Whilst clients that are affected by the upcoming transitional year have been contacted, if you have any queries or are unsure on your position, please get in touch with your usual haysmacintyre contact.

Inheritance Tax planning/Gifts

If you have made or received gifts in excess of £250 please supply details as there may be CGT and IHT implications. Please remember that you do have a £3,000 tax free annual exemption for IHT purposes on gifts along with several other exemptions (subject to certain criteria).

In addition to this, there are a number of other IHT planning points that could be considered:

- ☐ Wedding gifts are free from IHT, provided you keep to certain limits - £5,000 for children, up to £2,500 for your grandchild, or up to £1,000 to anyone else.
- ☐ IHT is not due on gifts made to qualifying charities, with no limit.
- ☐ Regular gifts out of surplus income can qualify as IHT exempt gifts if a number of conditions are met. This relief can assist in ensuring that the value of your taxable estate does not increase simply because you do not require or spend your regular income.

There are some simple actions that can be undertaken to mitigate IHT exposure on your estate however it is advisable to regularly undertake a review of your IHT position. Please contact your usual advisor if this is something of interest to ensure that your IHT exposure is minimised whilst maintaining your current lifestyle.

Pre-owned assets tax

The 'pre-owned assets' tax applies to any gifts made after 16 March 1986. Please contact your usual haysmacintyre contact if you have given away any asset but continue to derive a benefit from it, for example a property, an item of furniture, an antique or a work of art, as you may be liable to pay the tax.

The 'pre-owned assets' regime is very complicated so please ask for further advice as to whether any specific gift, either planned or already made, could potentially be liable.

There is a significant amount of information within this memoire given the complexity of the self-assessment tax system. If you have any queries, please do not hesitate to speak to your usual haysmacintyre contact, who will be happy to assist.

Private Client & Trust team

If you need guidance on any audit and accounting, financial reporting, statutory obligations, funding, employment tax or direct tax matters you can contact any member of our Private Client & Trust team as detailed below.

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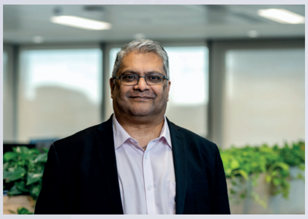

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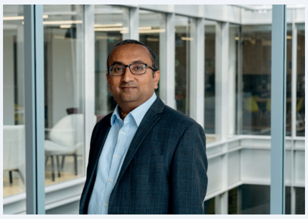

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