



Filing self-assessment tax returns early offers several advantages that can help individuals and businesses manage their tax affairs more effectively. Here are the key reasons why filing early is preferable:

Peace of mind

Filing early eliminates the stress of last-minute deadlines. Knowing your tax return is complete allows you to focus on other priorities without the looming pressure of the 31 January deadline.

Time to Plan for Payments

If you owe tax, filing early gives you advance notice of the amount due. This allows you to plan your finances and budget effectively, rather than scrambling to find funds at the last moment. Payments are still due by 31 January, so filing early doesn't mean you need to pay early—just that you have more time to prepare.

Avoid Penalties for Mistakes

Filing early provides ample time to check and correct errors. If HMRC finds an issue with your return, you have more time to address it without risking penalties or late fees. It reduces the likelihood of rushed errors caused by completing your return under time pressure.

Faster Refunds

If you're owed a tax refund, filing early ensures you receive it sooner. Delaying your return means waiting longer for any overpaid tax to be returned to you.

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Reduced Risk of System Issues

HMRC's online systems can become overwhelmed closer to the deadline due to the high volume of last-minute filers. Filing early avoids potential technical issues or website slowdowns. You also avoid the risk of missing the deadline due to unforeseen problems, such as personal emergencies or IT failures.

Better Professional Support

If you rely on an accountant or tax advisor, they'll likely have more availability to assist you early in the cycle. Closer to the deadline, professionals can be stretched thin, leading to longer wait times or rushed advice.

Improved Financial Planning

Filing early provides clarity on your tax position, allowing you to make informed decisions about your personal or business finances. For business owners, knowing your tax liability early can help with cash flow management, particularly if you're considering reinvestment or expansion.

Avoiding Late-Filing Penalties

Filing early minimises the risk of missing the deadline altogether, which could result in an automatic £100 penalty, plus additional charges for extended delays.

Easier Access to Tax Reliefs

Filing early gives you more time to ensure you've claimed all relevant tax reliefs, allowances, and deductions. If you're self-employed, for example, you can double-check your records for expenses that can reduce your tax bill.

Proactive Tax Strategy

Understanding your tax liability early in the year allows you to make strategic financial decisions, such as contributing to a pension or investing in tax-efficient schemes to reduce your bill before the payment deadline.

Flexibility for Amendments

If you need to amend your return, submitting it early gives you more time to do so before the amendment deadline (12 months after 31 January). Early filing also reduces the chances of needing to amend your return in the first place, as you'll have more time to ensure accuracy.

No Surprises

Early filing prevents unexpected tax bills from disrupting your financial plans. It allows you to identify any issues with your tax records and resolve them promptly.

Aligning with Other Deadlines

For those with other financial obligations, such as VAT or corporation tax, filing your self-assessment return early avoids overlaps that can make the end of January a particularly busy and stressful time.

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Demonstrates Responsibility

Filing early is often viewed positively, particularly if you're seeking loans, mortgages, or other financial products. Lenders may appreciate the timely submission as evidence of good financial management.

Opportunities for Tax Credits

Early filing helps you identify eligibility for tax credits or benefits that could otherwise be overlooked in a rush to meet the deadline.

Avoiding the Rush

Filing later in the cycle means competing for HMRC's attention during their busiest period. Queries or corrections may take longer to resolve closer to the deadline. In summary, filing your self-assessment return early allows you to take control of your tax affairs, reduce stress, and avoid potential pitfalls. Whether you're self-employed, a landlord, or a higher-rate taxpayer, early filing is a smart and proactive approach.

Opening the door to tax planning

And last of all, but very definitely not the least of our suggestions in this update, completing your tax return early in the filing cycle opens the door in good time to make tax planning choices before it's too late.

So, please, help us to help you by submitting your tax return information as soon as you can. For example, the tax return for the year 2024-25 ends 5 April 2025 and your return for this year needs to be filed by 31 January 2026.

Rather than think you have lots of time to send in your tax details, reflect instead on the advantages we have outlined in this update and send in the data as soon as you can after 5 April 2025.

We can help

If you need further information, please call us on **01753 888 211** or email **info@nhllp.com**. We would be happy to help.