



UK to press ahead with Digital Services Tax despite warnings from US.

Prime Minister Boris Johnson has said that the UK will continue with plans to impose its Digital Services Tax (DST) on American tech giants, despite the US threatening France for a similar move.

The DST will apply a 2% tax to the revenues of certain digital businesses. A double threshold will exist, meaning that businesses will have to generate revenues from in-scope business models of at least £500 million globally to become taxable under the DST.

The tax was first proposed by the former Chancellor, Philip Hammond, and is expected to raise £500 million a year. Canada, Austria and Indonesia have also pledged to introduce a tax on digital businesses.

France has already imposed a 3% levy on digital companies with revenues above €750 million (£670 million), of which at least €25 million is generated from French users.

However, this has led to President Donald Trump threatening to impose significant tariffs on French imports to the US. These tariffs could affect exports of products such as cheese and champagne.

Commenting on the tax, the Prime Minister said: 'I do think we need to look at the operation of the big digital companies and huge revenues they have in this country and the amount of tax that they pay. We need to sort that out. They need to make a fairer contribution.'

Off-payroll changes to be reviewed

The expansion of the off-payroll rules to the private sector will be reviewed, says Chancellor Sajid Javid.

In 2017, HMRC introduced new off-payroll rules to the public sector, which saw some contractors' net income cut significantly. From 6 April 2020, new tax rules will use the 2017 changes as a starting point for the extension to businesses in the private sector. Responsibility for operating the off-payroll rules will be transferred from the individual to the organisation, agency or third party engaging the worker. Only medium and large organisations will be subject to this change.

Speaking on BBC Radio 4's Money Box programme, the Chancellor said: 'We have promised a review of how we can help the self-employed with things like mortgages and pensions. One thing in particular I want to look at again are the proposed changes to IR35. I want to make sure that the proposed changes are right to take forward. We have made it clear . . . that we are on the side of self-employed people. We will be having a review, and it makes sense to include the proposed changes to IR35 in that review.'

The Chancellor's promise came just a week after HMRC updated its Check Employment Status for Tax (CEST) tool. The update is the tool's first, and means that if an engager does not know a worker, the tool will not ask questions about their circumstances.

Your Year End Checklist

Do you need help with any of these? We are here for you if you do.

- ✓ Make full use of your 2019/20 ISA allowances.
- ✓ Maximise available allowances across the family.
- ✓ Ensure that you are extracting profits from your business tax-efficiently
- ✓ Find out how the timing of dividends and bonuses could reduce your tax bill
- ✓ Discuss ways of improving your cashflow
- ✓ Put in place a tax-efficient gifting strategy
- ✓ Review and update your pension arrangements.
- ✓ Re-examine your estate plan and Will
- ✓ Send your business and personal records to your accountant in plenty of time.

We Are Here To Help...

Reviewing your financial planning strategies ahead of the end of the tax year is vital. Doing so will help to ensure that your affairs are as tax-efficient as possible.

Our Year End Strategies Guide is designed to help you identify some of the areas that could have a significant impact on your tax planning. Please consult us early for help in taking advantage of tax-saving opportunities. We will be delighted to assist you.

To get a copy of our guide, email us at info@nhllp.com or call us on **01753888211**

ESSENTIAL TAX DATES FOR JANUARY

1 January

Due date for payment of corporation tax for period ended 31 March 2019.

14 January

Due date for income tax for the CT61 quarter to 31 December 2019.

19 January

PAYE, Student loan and CIS deductions are due for the month to 5 January 2020. PAYE quarterly payments are due for small employers for the pay periods 6 October 2019 to 5 January 2020.

31 January

Deadline for submitting your 2018/19 self assessment return (£100 automatic penalty if your return is late) and the balance of your 2018/19 liability together with the first payment on account for 2019/20 are also due. Capital gains tax payment for 2018/19. Balancing payment – 2018/19 income tax and Class 4 NICs. Class 2 NICs also due.