

PERSONAL TAX SELF ASSESSMENT

If you are self-employed, a company director, or have income that isn't taxed at source, you are likely to need to complete a Self Assessment tax return each year. Under this system, you are personally responsible for ensuring your tax liability is reported accurately and any tax owed is paid on time.

WHAT IS THE SELF ASSESSMENT CYCLE?

The UK tax year runs from 6 April to the following 5 April — so the 2025/26 tax year ended on 5 April 2026. HMRC issues tax returns to individuals it knows need to file, including the self-employed and company directors. If you file online, you will typically receive a notice advising you that a return is due rather than a paper form. If you are not sent a return but believe you have tax to pay, you should notify HMRC promptly.

The standard deadline for filing your tax return online is 31 January following the end of the tax year. If you prefer to submit a paper return, the deadline is earlier — 31 October. Missing either deadline can result in automatic penalties, so it is important to act well in advance.

PAYMENT ON ACCOUNT

If you would like HMRC to calculate your tax liability for you, you must submit your return by 31 October. This is also the deadline if you want any underpayment collected through your tax code — a process known as 'coding out' — though HMRC will extend this to 30 December if you file online.

LATE FILING PENALTIES

Penalties apply automatically if your return is submitted after the deadline, even if there is no tax outstanding:

- Immediately late — a £100 fixed penalty
- More than three months late — £10 per day, up to a maximum of £900
- More than six months late — an additional £300 or 5% of the tax due, whichever is higher
- More than 12 months late — a further £300 or 5% of the tax due, whichever is higher; in serious cases, a penalty of up to 100% of the tax due may apply

AMENDMENTS AND ENQUIRIES

If you spot an error after submission, you can amend your return at any time within 12 months of the filing date. HMRC may also correct obvious mistakes. Should HMRC wish to look more closely at your return, they will open a formal enquiry in writing — typically within 12 months of the filing date. The opening of an enquiry does not mean your return is incorrect, but it does mean HMRC requires further information to satisfy themselves that everything is in order.



If this happens, we will receive a copy of HMRC's letter and will contact you to discuss next steps.

MAKING TAX DIGITAL FOR INCOME TAX

From April 2026, Making Tax Digital for Income Tax now applies to sole traders and landlords with annual income over £50,000. Rather than a single annual return, affected individuals are required to submit quarterly updates to HMRC through compatible software, with a final end-of-year declaration to confirm the full picture. If you fall within this threshold, speak to us about how MTD affects your reporting obligations and what you need to have in place.

KEEPING RECORDS

Good record-keeping is essential. You should retain documentation to support all income, expenses, and reliefs claimed on your return, including:

- Bank statements, invoices, and paying-in slips
- Interest and dividend statements, tax deduction certificates, and dividend vouchers
- Gift Aid payment records and pension certificates
- Receipts or credit card statements for business expenses
- Details of share options awarded or exercised

Records should be kept for at least 12 months after the filing deadline, and longer if your return is under enquiry.

WE CAN HELP

Preparing a Self Assessment return can be straightforward with the right support. We can complete your return on your behalf, advise on the correct payments to make, and guide you through any HMRC enquiry should one arise. To find out more, call us on **01753 888 211** or email info@nhllp.com.