

Coventry accountants urge early action to avoid new harsh tax penalties

Coventry chartered certified accountants, Askews, are urging taxpayers to prepare the relevant information for their tax returns in order to save them from encountering HM Revenue & Custom's new tax penalty system.

The HMRC has introduced its toughest tax penalties to date, and with around 800,000 people missing the final deadline for tax returns every year, the threat these new charges pose are distinctly high. Approximately nine million people need to produce a tax return each year; therefore it is not a matter to be taken lightly.

The new system calculates interest and statutory penalties on late filing of tax returns. It will mean a charge of at least £100 if the filing is just one day late, gradually rising each day up to £1,000 after 3 months. This can then snowball to significant additional amounts depending on when the tax is due. If the payment is late then the penalty is also dependant on the tax due and the length of time delayed.

The new penalties will apply to the tax returns for the year ended 5th April 2011. The deadline for filing these tax returns is 31st January 2012, but any tax due by this date must also be paid. The new rules mean that that even when no tax is owed surcharges and fines will still be levied if returns are submitted late.

Askews aims to help taxpayers by requesting clients to provide them with all the relevant information in good time in order to complete the return in time of the deadline and avoid a stinging fine. Senior partner, Neil Askew said: *"Each year there are a significant number of small business owners in Coventry & Warwickshire who leave their tax returns until the very last minute, which can result in missing the deadline. We wrote to all our clients earlier this year advising them of these changes. We are now urging those who are a little less organised to get in touch soon so we can help them avoid these unnecessary costs."*

Denise Taylor, Bridge PR on tel: 024 76 520025, email: denise@bridgepr.co.uk

Neil Askew, Askews on tel: 02476 231000, email: enquiries@askews.co