

## Self Assessment Penalties and Compliance

To ensure that you are aware of the penalties for not paying or filing on time, please find an outline below:

### **There are now 2 penalty regimes for Income Tax Self Assessment: -**

1. For late filing of your tax return; and
2. For late payment of your self assessment liability

If both the payment and filing are late, both penalties will apply. All penalties are cumulative (each further penalty is in addition to the previous one). Please note it is no longer possible to restrict late filing penalties by paying your personal tax liability on time. HMRC will apply interest charges on both unpaid tax and unpaid penalties.

### Penalties at a glance

#### **Late Filing**

	<b>Trigger date</b>	<b>Penalty</b>
Missed filing deadline	not filed by midnight 31 <sup>st</sup> January	Initial £100 penalty
3 months	not filed by midnight 30 <sup>th</sup> April	Daily penalty starting on 1 <sup>st</sup> May for up to 90 days at £10 a day (max £900)
6 months	not filed by midnight 31 <sup>st</sup> July	5% of tax due (fixed minimum of £300)
12 months	not filed by midnight 31 <sup>st</sup> January (following year)	5% of tax due (fixed minimum of £300)  However, <u>if the Taxpayer deliberately withholds information</u> that would enable HMRC to assess the tax due: <ul style="list-style-type: none"> <li>• deliberate and concealed withholding - 100% of tax due (fixed minimum of £300).</li> <li>• deliberate but not concealed - 70% of tax due (fixed minimum of £300).</li> </ul>

#### **Late Payment**

	<b>Trigger date</b>	<b>Penalty</b>
30 days late	unpaid by midnight 2 <sup>nd</sup> March	5% of tax due
6 months late	unpaid by midnight 31 <sup>st</sup> July	5% of tax outstanding at that date
12 months late	unpaid by midnight 31 <sup>st</sup> January	5% of tax outstanding at that date