

Property Matters

01787 223879

Percival & Co

Autumn 2024

Self-assessment tax returns – online filing

Self assessment has been in place since 1996 and was created to streamline the tax collection process for those with any untaxed income who need to declare and pay tax on it. The online service we have now did not exist in 1996, now HMRC state that 97% of returns are filed online.

The problem for HMRC is the same each year. How to get millions of people to file their tax returns by 31 January. The solution for those who are digitally capable is online.

The number of people using self-assessment continues to rise with an expected 12 million expected to file each year. Part of the headache for HMRC is that about half of those leave it until January to file their returns.

Going online

The online service was launched in 2000 and, not daunted by the prospect of the 'millennium bug', 38,000 people submitted their self-assessment tax return online. Those digital revolutionaries helped set the precedent that now sees more than 11 million people submitting their tax returns online. Encouragingly, almost 68,000 people filed their 2023-24 tax return online on 6 April 2024, the first day of the new tax year.

The online service has evolved since 2000 and any new services or enhancements of existing services are done with the customer in mind, with systematic customer research. HMRC want them to navigate the service with ease, get their tax right first time and support them when they are stuck.

Some of the customer focused changes to filing a self-assessment tax return on GOV.UK include:

- Using pre-populated forms to save customers' time inputting their details

- allowing customers to tailor their tax return, so they only need to complete relevant parts
- in-built help functions with access to videos or guidance to support customers every step of the way.

In order to file self-assessment digitally you will need a Government Gateway account allowing you to complete and submit online and to set up a payment plan to pay any tax owed.

HMRC offers a wide range of resources to help customers with their self-assessment on GOV.UK and YouTube. HMRC customers are using these resources because there were 48 million page views on GOV.UK and 1.4 million YouTube views during the most recent self-assessment peak.

Helping customers to self-serve

In February 2024, HMRC launched an improved online appeals process for self-assessment. It enables customers to appeal against late filing or late payment penalties.

HMRC's digital assistant has been around for about 8 years and has grown in capability and in use. In the 2024 self-assessment peak it was used 727,000 times, a 94% increase compared to the previous year.

Millions of people use the HMRC app each year to manage and interact with HMRC to meet their tax obligations and the app was downloaded 3.6

million times in 2023-24. The HMRC app allows customers to:

- set reminders so they don't forget
- access the digital assistant
- find their Unique Taxpayer Reference
- claim a refund if they have paid too much tax
- pay their tax bill using the app

The HMRC app payment method is so popular, last year there was a 173% increase in customers choosing to pay through the app.

HMRC recognise that some customers may need extra support and there is a specialist dedicated service to help them.

Making Tax Digital proposals will mean that from April 2026, if your income, including rental income, exceeds £50,000 p.a. you must keep digital records and provide quarterly updates. The requirement is extended to those earning over £30,000 p.a. including rental income from April 2027.

In other news

The new Government has confirmed that they will bring in a requirement for all rented properties to achieve an Energy Performance Certificate (EPC) band C by 2030. It is unclear whether there will be a spending cap which is currently set at £3,500 (including VAT) per property.

Any known and reasonable EPC improvements identified as improvements on the EPC that can be done sooner should be considered.

This newsletter is produced and distributed on a limited basis. Whilst the information researched and provided is believed to be correct, neither the sender nor anyone involved in the production of it, accepts responsibility for its accuracy. © TFP