

# Top 10 Tips – Tax Tips

Supplied by: D N G Dove Naish



1. Tax can be taxing but there are ways of making it less painful. Put some money aside each month ready for the day when the tax is due. Use a specific account for tax to avoid accidental spending.
2. If you find you are getting into difficulty with tax, seek professional advice as soon as you can. The situation will only escalate if you leave it.
3. HM Revenue & Customs (HMRC) are pedantic about time limits for submitting tax returns (PAYE and personal) and have little scope in their rules for any concession. Protect yourself by knowing the time limits and getting returns in well before the due date.
4. If you have staff, be clear from the start whether they are employed - requiring PAYE to be operated - or self-employed. Getting it wrong can be very expensive.
5. If you have part-time or young members of staff, be aware of Minimum Wage levels. These are checked by HM Revenue & Customs.
6. Keep all business financial records for at least six years. However unlikely it may be, HMRC have the right to ask for them and there is a penalty if you cannot produce them.
7. Where you travel for business purposes, keep a mileage log. This will help to justify your tax deductions for motor and travel expenses. If you are a sole trader, as an alternative to keeping all your petrol and car invoices, it should be possible to claim a tax deduction based on the standard HMRC rates of 40p per mile for the first 10,000 miles and 25p thereafter.
8. Get an invoice or receipt for every business expense, including purchases made over the internet. This protects you if HMRC want you to prove your claims for expenditure deductions against tax.
9. If you are thinking of buying new equipment, it is better to do so before the end of your financial year than early in the next, as you get your tax relief a year earlier.
10. If you are worried about the cost of HMRC enquiries into your tax affairs, ask your accountant or advisor if they can offer an insurance policy against this. Most can, and the cost for a year should be around £100.

For further information and advice on finance, tax or any other aspect of running your business, contact Vaughan Griffiths on 01604 657223 or [vaughan.griffiths@dngca.com](mailto:vaughan.griffiths@dngca.com). Visit [www.dngca.com](http://www.dngca.com) for helpful tools, calculators and factsheets.

## Top 10 Tips Supplied by...

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