



No more 'Get out of Jail Free' card

Penalties for late submission of your tax return have just got more stringent, according to Bob Cummings, tax specialist to the National Association of Specialist Dental Accountants (NASDA).

He explained that HM Revenue and Customs have changed the penalty system for late submission. Quite simply, the later your tax return is submitted, the more you will be penalized.

Bob said: "There has always been a penalty aimed at those who submit their returns after the deadline, but, in reality, by paying the tax owed on or before 31 January each year, it was possible to cancel the penalty. Unfortunately, this 'get out of jail free card' has now been withdrawn."

Bob explains that for 2011 Tax Returns, due to be filed by 31 January 2012, a £100 penalty will automatically apply to all Returns submitted late. In the past, the penalty was set at a maximum level of £100. If the outstanding tax bill was less than £100, the penalty would match the money owed. If, for instance, no tax was owed, there would be no penalty.

Under the new regime, the £100 applies automatically, regardless of how much tax is outstanding. If submission of the Return is delayed for more than three months, a daily penalty of £10 will be charged. Daily penalties will run for three months from 1 May 2012 to 31 July 2012.

This means that if a Tax Return is submitted six months late, a penalty of £1,000 will be charged: £100 initial penalty plus £10 per day for 90 days. Remember, warns Bob, this will apply even if all tax due was paid on the correct date of 31 January 2012.

Said Bob: "If this is not bad enough, further penalties can also be charged after 31 July. The message is clear! Get your Tax Return in on time!"

Notes to editors

NASDA was established in 1998 by a group of accountants wanting to share information and technical knowledge for the benefit of their dentist clients. In 2010 the NASDA Lawyers' Group was formed. For more information, contact Caroline Holland on 020 8679 9595/07974 731396 or go to the NASDA website:

www.nasda.org.uk