



Tax Tips

IMBERCAL

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“In this world, nothing is certain but death and taxes.”

“It is every man and woman’s duty to organise their affairs to minimise their legitimate tax liabilities”

KEY TAX TIPS - HOW TO AVOID, BUT NOT EVADE, TAX

Can you pay your spouse (or children) a wage? Consider making your spouse a partner.

Schedule an annual meeting with your accountant **before** your year end.

Check if you can apply for Class II National Insurance exemption.

Consider becoming a Limited Company or Partnership.

Restructure your personal loans into business loans and claim relief on the interest.

Offset any losses incurred against other income or previous or future profits.

If you work from home you should claim for use of home as an office.

Can you use a combination of salary and dividends to reduce your national insurance liability.

Consider making Company contributions into your pension and reduce your salary.

Consider running your own car rather than having a company car to save tax and national insurance.

Consider raising finance by taking your tax free lump sum or borrowing from your pension.

Claim higher rate tax relief on your pension contributions and gift aid payments

Make gifts now and write your life assurance policy into trust, both of these are very simple to do and avoids costly inheritance tax.

Ensure your will is up to date to take advantage of the latest tax legislation.

Invest in an ISA to take advantage of tax-free income or capital growth.

Minimise your tax liabilities by owning investments jointly with your spouse.

Remember to claim 10% wear and tear allowance on any furnished property you rent out.

Claim tax relief on your holiday home lettings.

You can claim back any VAT you have paid on bad debts older than 6 months.

Consider using the Flat Rate VAT scheme and/or Cash Accounting scheme to improve cash flow.

Improve your cash flow by making quarterly PAYE payments rather than monthly.