

Taxless UK Ltd

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Dear **[[First Name]]**,

Welcome to this fortnight's essential and up to date Newswire that we feel is important to keep you updated to ensure you save tax.

Some of the articles may be relevant to yourself and your business, others may not, however they are all worth discussing.

Call us on 01483 474663 and we will be more than happy talk with you to save your business time and money.

**Taxless UK Ltd Chartered Certified Accountants and Tax Advisors**

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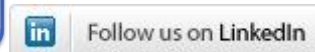
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## AVOIDING PENALTIES

You may have suffered a penalty from HMRC due to late filing of a tax form, and no doubt you will have felt aggrieved but at the same time realised that ordinarily there is little or no scope to get the penalty reduced or withdrawn.

**In this issue:**

- Avoiding Penalties

A brave taxpayer, however, took on HMRC recently and won!

- HMRC Launches Taskforce against Fast Food Restaurants in London

A company received a penalty notice of £400 for failure to file the employer annual returns by the due date, with the penalty being £100 per month for 4 months. Later on a further penalty notice for £100 was issued after the returns were properly filed, so overall the taxman wanted £500.

- Default VAT Surcharge- only One Day Late

The company thought that it did not need to file the returns because its sole employee had left in the tax year.

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### HMRC LAUNCHES TASKFORCE AGAINST FAST FOOD RESTAURANTS IN LONDON

If any of the articles mentioned in this issue are of interest to yourself or your business, please feel free to contact us on **01483 474663** or alternatively [send us an email](#), and we would be more than happy to assist you.

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Last month, HMRC launched a task force against fast food outlets in London in a bid to raise an additional £7bn a year by 2014/15 in light of tax evaders in the UK.

HMRC has recognised a significant issue with many fast food restaurants declaring false sales figures in an attempt to reduce their tax bill, and thus pay the incorrect amount.

Mike Wells, HMRC's Director of Risk and Intelligence, stated:

"This taskforce will come down hard on fast food outlets that have chosen to break the rules and evade the taxes they should be paying. Honest businesses have absolutely nothing to worry about.

"This taskforce comes hard on the heels of one launched last month targeting the restaurant sector in London. If you deliberately seek to evade tax, HMRC can and will track you down, and you'll face not only a heavy fine, but possibly criminal prosecution as well."

This taskforce is one of a series of a further nine to be launched in 2011/12, and more in 2012/13. They come in light of the Government's spending review of £900m investment to overcome tax evasion, fraud and avoidance from 2011/12.

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### DEFAULT VAT SURCHARGE- ONLY ONE DAY LATE

A luxury hotel has come into the public spotlight recently over a VAT default surcharge of £18,453.66 which arose for the period ended 30 September. The tax payer made payment one day late, and became subject to the surcharge.

Payment was made on Friday 5th November, and the tax payer was aware that the money would not reach HMRC until Monday 8th.

The hotel argued that, even though they recognised that the payment was marginally late, a surcharge at 15% was disproportionate.

After an investigation by the First Tier Tribunal, it happened that this was not the first incidence of late payment made by this tax payer. The case was dismissed, as the tribunal concludes that their persistent history of late payments indicate that appropriate action could have prevented the VAT payment being late.

It is crucial for all businesses to ensure that they are able to pay their VAT on time, and if not, apply for a time-to-pay deal with HMRC, which will mean that the business will not pay a surcharge if a deal is agreed before the VAT is legally due for payment.

An Independent VAT consultant, Neil Warren, said:

"The best way to appeal a surcharge is to claim reasonable excuse for the lateness (which did not apply in this case), rather than rely on the excessive amount of the surcharge based on proportionality."