



Self-Employed

How to possibly reduce tax payments 2021

This alert applies to any person taxed as a self-employed trader during 2020-21 – it includes non-incorporated property businesses (buy-to-let owners for example)

Did you make a loss or suffer reduced profits during 2020-21?

If you are self-employed and suffered a loss or reduction in profits taxable during the 2020-21 tax year, we need your co-operation to access your accounting records as soon as possible. The trading year applicable will be the year ending 31 March 2021 (5 April 2021) or if your trading year is not the end of March, then the records for the year ending between April 2020 and March 2021, for example, 31 December 2020.

Why we are making this request

There are two reasons for making this request:

1. If your taxable, self-employed earnings are less for the tax year 2020-21 – as compared to 2019-20 – we may be able to file an election with the tax office to have any self-assessment tax payments due 31 July 2021 reduced or possibly eliminated. We may also be able to recover some or all of any payment on account you made 31 January 2021.
2. If you actually made a tax loss during 2020-21, we may be able to carry the tax loss back and recover tax paid in earlier years.

What we need from you

If you keep manual records, perhaps on a spreadsheet, let us have the information you usually send as soon as you can. The year we need to cover is to 31 March 2021 or the trading year that ends during the tax year 2020-21.

If your accounts are kept on a computer, and we have access to the data, we will just need your confirmation that all transactions are completed for the relevant year.

If your records are computerised and we do not have access to the data, please send us copies of the reports we usually receive from you.

Support grants received during 2020-21

Do not forget that any support grants received during the last year will be taxable. For example, payments received under the Self-Employed Income Support Scheme.

We can help

Please call if you feel that this alert applies to your circumstances, but you are unsure what information we require or if you need clarification of the information we need.

Pick up the phone, we are here to help...



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