

### **File your tax return on time to avoid a penalty**

The deadline for filing the 2015/16 self-assessment online is 31 January 2017. It is important that this deadline is not missed because if you miss it, even by one day, you will have to pay a late filing penalty of £100. The penalty applies irrespective of whether you owe any tax – it is a fine for not filing your tax return online.

### **Paper returns**

The deadline for filing a paper return for 2015/16 has passed – paper returns had to be with HMRC by 31 October 2016. If you have missed this deadline, you can avoid a penalty by filing online by 31 January 2017. If you have not filed online before, you will need to register first (see [www.gov.uk/log-in-register-hmrc-online-services](http://www.gov.uk/log-in-register-hmrc-online-services)). However, if you file a paper return after 31 October 2016, you will suffer a £100 late filing penalty, even if the return is filed by the online filing deadline of 21 January 2017.

### **Tip**

If you have not filed a return by 31 October 2016, the 2015/16 self-assessment return must be filed online by 31 January 2017 to avoid a penalty.

### **File by 30 December to code out underpayment**

If you have a tax underpayment of £3,000 or less, you can opt to have it collected through PAYE via an adjustment to your tax code. However, there is a catch – this option is only available if you file your tax return online by 30 December 2016.

### **Tip**

If you owe less than £3,000 and want it collected via PAYE, don't leave it until the last minute to do your tax return. You must file it by 30 December 2016 to take advantage of this option.

### **Already late – file by 1 May to avoid higher penalties**

If you miss the 31 January 2017 deadline, you then have a three-month window to get your house in order before the penalties start to rack up. If your return still hasn't been filed by 1 May 2017, you will be charged a penalty of £10 per day until your return is filed for the next 90 days – a maximum of £900. This means that if you have not filed your return by 29 July 2017, you will be charged a penalty of £1,000.

### **More delays = higher penalty**

Further penalties are triggered if the return is outstanding at six-months and 12-months after the due date. At each point, the penalty is £300 or 5% of the outstanding, whichever is higher. Filing six months late could cost at least £1,300 in penalties, delay another three months and the total will rise to at least £1,600.

### **Late notice to file a return = later deadline**

If you receive a notice to file your tax return less than three months before the filing deadline, a later deadline of three months from the date of the notice to file the return applies.

### **Pay late = more interest and penalties**

If you pay your tax late as well as filing your return late, you will also run up interest and penalties on the late paid tax.

**Practical tip**

Putting off filing your tax return can be costly, with penalties of up to £1,600 where the return is filed late. Making sure your return is filed on time will save you from having to pay penalties unnecessarily.