

# Financial and L

## Who needs to file a tax return?

IT IS OBVIOUS when you have to file a return, isn't it? Everyone knows that if you have untaxed income you need to declare it don't they?

But what are the actual criteria?

Yes, there are the obvious reasons but there are also some not so well-known ones.

### Income from:

- Self-employment, greater than £1,000. If you have self-employment income of less than £1,000, it does not need to be declared as it will be covered by the £1,000 trading allowance.
- Being a member of a partnership (regardless of amount).
- Total earnings of more than £100,000.

Untaxed income – for example:

- Rental income.
- Savings income, interest, dividends.
- Tips and commissions.
- Foreign income.
- Some Covid-19 grants and support.

### Other reasons:

- Claiming income tax reliefs (although some of these can be done through your tax code if you have PAYE income), such as higher rate pension relief.
- If you claim child benefit and you or your partner have individual income of more than £50,000. This one is quite topical as there have been some recent cases which have gone both for

and against HMRC. This information is available to them and they do regularly send out letters, with the risk of both penalties and interest if it is found that returns should have been filed.

### Tax codes (tax free allowance)

As mentioned above, some tax reliefs can be claimed through your tax code. Small amounts of untaxed income can also be collected this way.

Everyone has a personal tax account available to them online. Even if you do not meet any of the criteria above, it is a good idea to access your account as it has other useful information such as your National Insurance record and state pension forecast.

You can ensure you do not have any gaps in your National Insurance record and, if you do, you can consider the options to fill those gaps.

If you would like any help with the above, we have a strong personal tax team that can help, and if you do need to start filing a return they can help with this also.

Butler & Co has a local and national reputation for providing excellent advice and first-class service together with a high level of client care and communication. Please do not hesitate to contact us on 01962 735544 or by email at [infobutler@butler-co.co.uk](mailto:infobutler@butler-co.co.uk)

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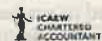
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