



HM Revenue
& Customs



Giving your business
the best start with tax





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There is a lot of help available to help you start up and run your business. Find out more at

www.gov.uk/starting-up-a-business

Online seminars for businesses and the self-employed

HMRC offer a series of free online presentations or 'webinars' to give tax help to businesses and the self-employed. The webinars cover many different topics including:

- business expenses
- capital allowances
- first steps as an employer
- the Construction Industry Scheme
- an overview of Limited Companies
- how VAT works.

To view a webinar visit:

www.hmrc.gov.uk/webinars/index.htm

Introduction: Getting started



You've decided to set up a business. But what next?

When you set up your own business as a self-employed sole trader or in a partnership, **you need to register for Self Assessment with HM Revenue & Customs (HMRC)**. HMRC will set up the right tax and National Insurance records for you and can help you understand what you need to know about tax and help you to get it right. If you are late in telling HMRC, you may incur a penalty. Not paying your National Insurance contributions puts your right to benefits at risk.

You can find the form you need to register a new business for Self Assessment if you're a self-employed sole trader or in a partnership at www.gov.uk/new-business-register-for-tax

There are a number of online seminars to help you understand the different areas of starting a business. Visit www.hmrc.gov.uk/webinars/index.htm to see HMRC's free online seminars (webinars). Visit: www.youtube.com/user/HMRCgovuk

Topics include:

- Business Allowances
- Construction Industry Scheme
- Corporation Tax
- Employing other people (PAYE)
- Income Tax for the self-employed
- Importing and Exporting
- National Insurance for the self-employed
- Record keeping
- Setting up in business
- VAT

The different types of tax and contributions you must pay depends on what you do. Section One of this booklet gives you more information on the different taxes and contributions.

Records you need to keep

It is vital to keep full and accurate records of your income and expenses from the start.

Keeping records makes sound business sense and is a legal requirement. So it is important to get a proper system in place from the outset, and update the information regularly.

Keeping good records makes completing your tax return(s) easier and quicker; makes it easier to pay the right tax at the right time; and helps you avoid paying unnecessary interest and penalties.

You should keep invoices and receipts to show what you have bought and sold relating to your business.

If you are employing others, you must keep records of their wages and tax/ National Insurance you have deducted/ paid to HMRC.

Keeping bank statements and building society books is vital, especially if you don't have a separate business account. You should be able to show clearly what you have spent personally (on non-business related items) and what is spent on the business. If you use cash, you will need till receipts and a record book to keep track of it all.

If you are using part of your home for business then you should keep copies of the utility bills so that you can work out the amount spent in relation to your business.

Additionally, if your business is registered at Companies House, you must keep and retain certain accounting records showing your company's transactions and its financial position.

If you have an accountant you might want to get his or her advice on what system suits your business and on how to keep your records up-to-date.

Keeping records is important because you can face penalties for failing to keep proper records. You face further penalties if you send us a return that contains an inaccuracy caused by carelessness, such as not keeping proper records.

For more information visit www.gov.uk/self-employed-records

Find out about mobile apps for record keeping at www.hmrc.gov.uk/softwaredevelopers/mobile-apps/record-keeping.htm

For more information about taking reasonable care and penalties, visit www.gov.uk/self-assessment-tax-returns/penalties

For help with record keeping go to www.gov.uk/self-employed-records

To watch online seminars (webinars) visit www.hmrc.gov.uk/webinars/index.htm

For more information about compliance checks visit www.hmrc.gov.uk/compliance/cc-fs7.pdf

Section One: Things you need to know



Self-employed, Partnership or Limited Company

Self-employed - individual

This means that you're working for yourself, although you can also have people working for you. Your Income Tax, and part of your National Insurance liability, is calculated by reference to your business profits. The calculation and payment of the tax/National Insurance due on profits is done through Self Assessment. If you have employees you will have to operate (Pay As You Earn) PAYE on their earnings.

For your 2013-2014 Tax Return onwards, you can choose to use the 'cash basis' and 'simplified expenses' methods to simplify your tax affairs. To find out more, go to www.gov.uk/self-employed-records

Partnership

A partnership is where two or more people jointly set up a business. Each partner is personally responsible for all the business debts, even if the debt was caused by another partner. Each partner pays Income Tax and National Insurance on their share of the business profits through their own Self Assessment tax return. The partnership nominates one partner to be responsible for sending the Partnership Tax Return to HMRC.

Limited Company

A limited company is legally separate from its shareholders or directors. This means the company is liable for any debts. The company must pay Corporation Tax on its taxable profits and needs to deliver a Company Tax Return - usually annually. This return must be filed online with any Corporation Tax paid electronically.

You can set up your own company and register it at Companies House or you can also use a company registration agent to buy a company 'off the shelf'. There is more information in this booklet under Corporation Tax.

If you form a limited company, then as a director, you will also be an employee - so you need to set up and register a PAYE scheme. You can do this by visiting www.gov.uk/pay-for-employers

As a director, you will still need to complete a Self Assessment tax return. Managing tax and accounts for limited companies can be complicated. A solicitor or accountant will be able to offer advice on setting up a limited company. Visit www.gov.uk/limited-company-formation for a number of useful guides about Corporation Tax.

Whichever business entity you choose to use, you may also need to register your business for VAT.

For more information about VAT registration thresholds, visit **www.gov.uk/vat-registration**

To watch online seminars (webinar) about starting up go to **www.hmrc.gov.uk/webinars/index.htm**

The next few pages explain in more detail what you need to do to pay your tax and NICs if you are Self-employed, a Partnership or a Limited company.

Self-employed

Self Assessment

If you are self-employed, you pay Income Tax through Self Assessment. After the tax year ends on 5 April, you will need to complete and file a Self Assessment tax return, which you can either do online or by filling in a paper form. There are different deadlines for the paper and online returns.

Self Assessment tax return deadlines

Filing by paper - the return needs to be with us by 31 October. A paper return received after that date may be charged a penalty.

Filing online - the return needs to be with us by the following 31 January. This gives you an extra three months. Remember, if you send it in late you may be charged a penalty.

About three quarters of Self Assessment customers already file their return online. As well as the later deadline, we recommend filing your return online because:

- it is secure and convenient
- you can stop, save and come back to it at any point
- calculations are done for you automatically
- it shows you immediately if you owe any tax
- it calculates any repayment due and processes it quickly (more quickly than the paper equivalent filed at the same time)

- you get automatic acknowledgment of safe receipt.

Completing your return if you are a self-employed individual

To complete your return you will need information from your business records, receipts or bank statements. If you get stuck, there is advice available. You can visit www.gov.uk/self-employed-records

You are responsible for working out how much Income Tax and National Insurance contributions you need to pay. However, if you do your return online, your calculation is automatically done for you. If you choose to send HMRC a paper return, HMRC can still calculate your tax for you but **only** if you make sure your return is received by the 31 October deadline.

For help with completing and filling in your return online:

- see the guide at www.gov.uk/file-your-self-assessment-tax-return
- find out more about the online Self Assessment tax return at www.gov.uk/how-to-send-self-assessment-online

Alternatively you can get an accountant or tax adviser to do all this for you.

Please remember, if you do this, it is your responsibility to make sure the information on the return is accurate, complete and received by HMRC in time.

Partnership

Completing your return if your business is run as a partnership

Each partner will have to fill out a partnership supplementary page as part of their own, individual Self Assessment tax return. The nominated partner will also have to complete a Partnership Tax Return, showing each partner's share of the profits or losses. This might also include completing other supplementary pages, depending on what type of income the partnership has.

Your account

Everyone who completes a Self Assessment tax return gets a Self Assessment Statement. This shows you how much you owe and how to pay any tax due. It also shows you how much you have paid or how much we have repaid to you since your last statement. If you have registered for our Self Assessment Online service, you can also view your statement online and set up a Direct Debit as a single payment or as part of a monthly or weekly Budget Payment Plan.

Paying your tax at the right time

From your second year of trading, HMRC may ask you to make payments on account. These are part payments (or commonly referred to as payments on account) towards your next tax bill. These payments on account are based on the amount of tax that was due in the previous year. Certain conditions apply as to whether you need to make payments on account.

You will usually make two separate payments, one on 31 January and on the following 31 July, as well as any balancing payment on 31 January. If there is any balance to pay this will be due at the end of the following January.

To find out more about when payments on account are due, visit www.gov.uk/understand-self-assessment-statement

To watch an online seminar (webinar) about starting in business go to www.hmrc.gov.uk/webinars/index.htm

We also recommend payment by Direct Debit which many customers prefer as it offers more time to pay, among other benefits. To find out more go to www.hmrc.gov.uk/factsheet/payingtax.pdf Tax Help Factsheet - *Paying your tax - what you need to know.*

National Insurance contributions

National Insurance contributions are paid by almost everyone who works for a living and count towards paying for pensions, benefits and healthcare. Not paying for your National Insurance contributions puts your rights to benefits at risk.

If you are self-employed, there are two types of National Insurance contributions you need to know about - Class 2 and Class 4:

Class 2 National Insurance contributions

Class 2 National Insurance contributions are a fixed amount per week. We recommend you pay by monthly Direct Debit. To pay monthly or six monthly by Direct Debit go to www.gov.uk/pay-class-2-national-insurance and fill in the Class 2 Direct Debit form. Otherwise, we will send you a six monthly payment request. If you are in a partnership, or if your spouse is self-employed too, then each person pays their own Class 2 National Insurance contributions.

Class 4 National Insurance contributions

These are also payable by most self-employed people. They are calculated as a percentage of your annual business profit, but you only start paying Class 4 contributions when your profits reach a certain limit.

Your Class 4 contributions are calculated alongside your Income Tax liability, based on the figures you reported on your Self Assessment tax return. You pay the Class 4 contributions at the same time as your Income Tax. If you are in a partnership, or if your spouse is self-employed too, then each person pays their own Class 4 National Insurance contributions.

If you employ staff, or are a Director (and therefore an employee) of a company, you also need to know about Class 1 National Insurance contributions which apply to employee earnings.

What if you don't earn much?

If you do not expect to have profits above a certain amount. Visit www.gov.uk/self-employed-national-insurance-rates for the relevant form and details of how to submit an application. You should be aware that if you do apply for SEE this will affect your entitlement to benefits.

If you do not apply for a SEE, you must pay Class 2 contributions from the start of your self-employment. You can always claim a refund if you find out later on that your earnings were lower than expected, as long as you make your claim in writing no later than 31 January following the end of the tax year.

For this year's National Insurance contributions rates and SEE threshold visit www.gov.uk/national-insurance/how-much-national-insurance-you-pay

Class 1 National Insurance contributions

This is payable by most people who are employed and their employers. If you are an employer, you are responsible for deducting Class 1 contributions from your employees and for paying those and your own share over to HMRC.

Class 1A and Class 1B National Insurance contributions

These are payable on benefits provided by the employer. The cost of these is fully borne by the employer.

Class 3 National Insurance contributions

These are voluntary payments, made by people who want to pay, and are entitled to pay, contributions to help them qualify for benefits. These payments cover any shortfalls in your National Insurance contribution record and help protect your entitlement to State Pension and Bereavement Benefit.

Can you pay too much National Insurance?

Yes, it is possible. You might be paying too much National Insurance contributions if, for example, you have more than one job. If you think that you will be paying too much in National Insurance contributions overall, then you can apply to postpone (or defer) your Class 2 and Class 4 National Insurance contributions until the end of the tax year. If you do end up paying too much, HMRC will send you a refund. You can find out more about how to claim back overpaid National Insurance contributions by visiting www.gov.uk/defer-self-employed-national-insurance

To watch an online seminar 'National Insurance for the self-employed' visit www.hmrc.gov.uk/webinars/index.htm

Limited Companies

Corporation Tax

If you are running a limited company then you may need to pay Corporation Tax. Corporation Tax is a tax on your company's overall taxable profits.

For more information about who is liable for Corporation Tax, visit www.gov.uk/limited-company-formation/overview

HMRC will send an Introductory Pack to newly formed companies. This helps to make it easier for companies registered under the Companies Act to give HMRC the information it needs to set up their tax records with the right information.

As a director of a limited company, you are also an employee of the business and need to pay tax on your salary (including benefits in kind, dividend income and other income derived from the company) and operate PAYE and National Insurance contributions for yourself and all employees.

Corporation Tax is due for 'accounting periods' which are normally 12 months long.

To work out how much Corporation Tax your company will have to pay, you will need to work out the profits you'll have to pay tax on. For more information on accounting periods and calculating your taxable profits for Corporation Tax, visit www.gov.uk/prepare-file-annual-accounts-for-limited-company

All Company Tax Returns must be filed online and use the Inline eXtensible Business Reporting Language (iXBRL) data format for accounts and computations in most cases. Corporation Tax and related payments must also be paid electronically. HMRC provides a free software product for those with straightforward affairs and there is also a range of commercial software available, or you may wish to ask an agent to file your return on your behalf.

If you are setting up a limited company you need to do a number of things:

- Tell HMRC that your company is active for Corporation Tax purposes within three months of starting. The easiest way to tell HMRC is online using either of the following:
 - the joint registration facility in the Companies House Web Incorporation Service
 - HMRC's online registration service.Visit www.gov.uk/limited-company-formation/set-up-your-company-for-corporation-tax
- Complete a Company Tax Return for your company within 12 months of the end of the accounting period. You can do this online at www.gov.uk/prepare-file-annual-accounts-for-limited-company

- Work out how much Corporation Tax the business owes and pay it, without assessment by HMRC
- Set up a PAYE scheme and operate PAYE on all wages paid to employees (including directors).

There is a lot to know about Corporation Tax and many people choose to use an accountant to help them manage this. You can also get help with the basics at www.gov.uk/running-a-limited-company

It is your responsibility (even if you employ an accountant) to make sure all necessary tax returns are completed on time and that you pay any tax you owe by the due date.

If Corporation Tax is paid late or you don't pay the right amount, your company will be charged interest on what's owed or paid late.

HMRC offers a series of free online seminars (webinars) including an overview of Limited Companies. To view this and other topics visit www.hmrc.gov.uk/webinars/index.htm

Employing other people (PAYE)

If you plan to employ other people, you need to get everything sorted out well in advance regarding their pay and tax.

As an employer, you will be responsible for calculating and paying to HMRC your employees' PAYE (Pay As You Earn) tax and Class 1 National Insurance contributions. You will also have to pay your own employer's share of the Class 1 National Insurance contributions together with Class 1A or Class 1B contributions where appropriate in respect of benefits provided. Then there are other things you need to know about, such as the National Minimum Wage and ensuring your workers are eligible to work in the UK.

You may also need to make other payments or deduct Student Loan repayments on behalf of your employees. This may seem like a lot to manage, but don't worry, there is lots of advice and help available at **www.gov.uk/browse/employing-people**

To watch the online presentation 'First steps as an employer' go to **www.hmrc.gov.uk/webinars/index.htm**

If you are a director of a company, are about to employ someone, or have already taken on your first employee, you will need to register as an employer with HMRC.

You can register online at **www.hmrc.gov.uk/payerti/getting-started/register.htm**

If you do register - but for whatever reason you don't employ anyone - you must let HMRC know or we will assume you should be making payments of employee tax and National Insurance contributions and you may get an estimated bill.

When you have registered we will send you your PAYE reference number and information about how to download the HMRC Basic PAYE Tools to help you run your payroll. A P11 Calculator will work out and record your employees' tax, National Insurance contributions and any Student Loan deductions. The P11 Calculator enables you to keep your payroll records electronically and file your Employer Annual Return and in-year forms online direct from the P11 Calculator if you have up to and including nine employees at 5 April.

From April 2013 employers are operating PAYE in real time, which means they have to send HMRC PAYE information every time employees are paid, at the time they are paid. It must be done electronically using payroll software as part of their routine payroll process. For more information on PAYE online and PAYE in real time go to **www.gov.uk/pay-for-employers**

Value Added Tax (VAT)

VAT is a tax charged on most business-to-business and business-to-consumer transactions in the UK and throughout the European Union (EU).

Who charges VAT and what is VAT charged on?

VAT is charged only by someone who is registered for VAT - usually a business but other organisations may have to register as well.

They charge VAT on:

- goods and services sold or otherwise supplied (eg barter) in the UK
- goods, and some services, imported from places outside the EU
- goods and services coming into the UK from other EU countries.

You must register for VAT if your turnover for the previous 12 months is over the VAT threshold or if you think your turnover may soon go over this limit (this limit is normally increased annually and can be found at www.gov.uk/vat-registration-thresholds). You may register voluntarily at any time. There are few exemptions from registration.

For information on registering for VAT and when you do not need to register visit www.gov.uk/vat-registration

How is VAT charged and accounted for?

For items which are standard-rated or reduced-rated for VAT, VAT is charged to the buyer (output tax) by the VAT-registered seller. This VAT is reclaimed by the VAT registered buyer (input tax) after goods and services are purchased.

If you are registered for VAT, generally you charge VAT on your business sales and reclaim VAT on your business purchases. The difference between the VAT you charge and the VAT you are reclaiming is the amount of VAT you must pay to HMRC. If the value of the VAT you reclaim is more than the value of the VAT your charge, then HMRC pays you.

If you are not registered for VAT, you do not charge VAT on your sales. You still pay VAT on your purchases and you cannot reclaim this VAT.

You usually account for VAT on a quarterly basis by filling in a VAT Return and sending it to HMRC. If you register a business for VAT you must submit your VAT Return online and pay any VAT due electronically. You can pay online by Direct Debit (which gives you longest to pay), CHAPS, Bacs, internet banking and telephone banking.

Remember that registration is compulsory when your 'taxable turnover' is more than the current VAT threshold. Most VAT registration applications can be done online. For more information visit www.gov.uk/vat-registration/how-to-register

There are simple schemes to help small businesses manage their VAT.

Annual Accounting Scheme

This scheme can help you to manage your cashflow and reduce your paperwork. You pay your VAT in installments and submit one annual return along with a final balancing payment.

You can submit VAT Returns, pay by Direct Debit and give notification of changes to your registered business online. For more information visit www.gov.uk/vat-annual-accounting-scheme

Cash Accounting Scheme

This scheme can help with your cashflow, as you only pay VAT when your customer has paid you. You can only reclaim VAT on purchases when you have paid for them.

For more information visit www.gov.uk/vat-cash-accounting-scheme

Flat Rate Scheme

This scheme helps make record-keeping easier and helps reduce the amount of time you spend accounting for VAT. You calculate your VAT by applying a flat rate percentage to your turnover. Help with choosing the right scheme for you is available at www.gov.uk/vat-flat-rate-scheme

You can submit VAT Returns, pay by Direct Debit and give notification of changes to your registered business online. For more information, visit www.gov.uk/browse/tax/vat

Other help and support

To watch online seminars (webinars) on VAT www.hmrc.gov.uk/webinars/index.htm

The Tax Help Factsheet: *VAT - What you need to know* provides helpful advice on keeping records, how to simplify the administration of your VAT by using the available accounting schemes, filing online (which all newly registered businesses are now required to do) and international trade.

To access the Tax Help Factsheets go to www.hmrc.gov.uk/thelibrary/tax-help.htm

What you need to know if you plan to import or export products

Importing and exporting means buying or selling products outside the EU. If you plan to buy products from suppliers or sell to customers outside the EU, you will be engaged in international trade.

For goods imported from outside the EU, import VAT and duty must be paid before the goods can be released. Duty is an additional tax which varies depending on the type of product and country or origin.

If you are exporting goods and services, there are different VAT rules for exporting to EU and non EU countries.

There is plenty of help available on the HMRC and GOV.UK websites on International Trade.

For the 'Guide to importing and exporting: Breaking down the barriers' go to www.hmrc.gov.uk and under the business and corporations section, click the 'Import & export' tab.

If you want to export goods or services, the Government's export agency - UK Trade & Investment - can also offer information training and advice to help you get going. Visit www.uktradeinvest.gov.uk

To watch an online presentation on 'Importing and exporting' visit www.hmrc.gov.uk/webinars/index.htm

You may also want to look at the Tax Help Factsheet: *Importing and exporting goods - what you need to know* for further guidance on the procedures you will need to follow when bringing in, or sending goods from the UK to countries outside the European Union and what charges and duties you will need to pay.

To access the Tax Help Factsheets go to www.hmrc.gov.uk/thelibrary/tax-help.htm

Being self-employed in the construction industry

Special rules for the construction industry

Construction is a broad term. It covers almost anything done to permanent or temporary buildings, including alteration, decoration, repair or demolition.

Find out more at www.gov.uk/what-is-the-construction-industry-scheme

Contractors and subcontractors in the construction industry must comply with special taxation arrangements. If you are a contractor, you must check the employment status of all new subcontractors with HMRC before making any payments to them.

The Construction Industry Scheme (CIS) sets out the rules for how payments to subcontractors for construction work must be handled by contractors in the construction industry and certain other businesses.

There are detailed rules outlining what comes under the scheme, but in general terms, payments for the following operations must be made with the CIS:

- demolition and site clearance
- tree felling
- earth moving, tunnelling and excavation
- preparing and laying foundations
- construction of or alteration to any permanent or temporary building
- installation of pipes, drains, sewers or underground cabling
- construction, surfacing or repair of roads or driveways
- any internal cleaning or fitting work on buildings, including heating, lighting, ventilation, air conditioning, power supply, drainage, water supply, kitchens or bathrooms
- any painting and decorating.

There are many other activities covered by the scheme and some activities are also specifically excluded. If you have any doubt whether the CIS applies to the work you do, it is a good idea to check.

You can download a detailed list of operations covered by the CIS from www.gov.uk/what-is-the-construction-industry-scheme/work-covered-by-cis

To watch the an online seminar (webinar) about the 'Construction Industry' visit www.hmrc.gov.uk/webinars/index.htm

Section Two: A helping hand



Allowances, reliefs and incentives

These allowances, reliefs and incentives might be useful to your business:

Capital allowances

There are a number of capital allowances schemes to encourage investment in particular assets or by particular sorts of businesses.

Capital Allowance scheme gives tax relief on business equipment, like computers, cars, tools or furniture that you intend to keep. In your first year of business, there are some extra allowances.

You cannot claim for things you buy or sell as your trade - these are claimed as business expenses. If you buy on hire purchase, you can claim a capital allowance on the original cost of the item but the interest and other charges count as business expenses.

For more information visit www.hmrc.gov.uk/capital-allowances/index.htm

Research and development Relief

Research and development (R&D) Relief is a Corporation Tax relief which can either reduce a company's tax bill or, for some small or medium sized companies, provide a cash sum.

The aim of the R&D Relief is to encourage greater R&D spending in order to promote investment in innovation. To find out whether you can benefit, visit www.hmrc.gov.uk/ct/forms-rates/claims/randd.htm

Enterprise Investment Scheme

This scheme offers tax incentives to encourage direct investment in qualifying companies (but not other types of business). For more information on the Enterprise Investment Scheme email enterprise.centre@hmrc.gsi.gov.uk

The Seed Investment Scheme

The Seed Enterprise Investment Scheme, also known as SEIS, is designed to help small, early-stage companies to raise finance by offering a range of tax reliefs to individual investors who purchase new shares in those companies. To find out more visit www.seiswindow.org.uk/

Tax Credits

Both self-employed and employed people can claim tax credits. Tax credits are payments from the government to help with everyday costs. There are two types of tax credit - Working Tax Credit and Child Tax Credit.

Working Tax Credit

Working Tax Credit is for working people on a low income, whether you have children or not.

If you are not responsible for a child or young person, you need to work the following hours to get Working Tax Credit:

- if you are aged 25 or over you need to work at least 30 hours a week
- if you have a disability and are aged 16 or over you need to work at least 16 hours a week
- if you are aged 60 or over you need to work at least 16 hours a week

If you are responsible for a child or young person and are single you need to be in paid work at least 16 hours per week to get Working Tax Credit. If you're in a couple, your joint working hours must be at least 24 a week, with one of you working at least 16 hours per week. If only one of you works, that person must be working for at least 24 hours a week. But there are special rules if you or your partner are incapacitated, in prison or in hospital, or if one of you is entitled to Carer's Allowance. For more information, go to www.gov.uk/working-tax-credit

If you have children and are entitled to Working Tax Credit, you may be able to get help with the cost of registered or approved childcare that you pay for. The childcare element of Working Tax Credit is paid to the person getting Child Tax Credit.

Child Tax Credit

Child Tax Credit is for people bringing up children under 16, whether you work or not. If you have a child with a disability, you may be entitled to more.

You can claim Child Tax Credit for a child until 31 August after their 16th birthday. You can also claim for a young person who is aged between 16 and 20. They need to be in full time non-advanced education or on an approved training course.

The Child Tax Credit is usually paid to the person who is the main carer for the child or young person.

How much will you get?

The amount you get will depend on your income - or your joint income if you are part of a couple.

For more information, visit www.gov.uk/browse/benefits/tax-credits

There is an online questionnaire on the website that you can use to check if you qualify for tax credits before making a claim.

How do you claim?

Call the Tax Credit Helpline on **0345 300 3900** and ask for a claim pack.

If you are already getting tax credits

If you are going from being employed to self-employed and you're already claiming tax credits, you should tell the Tax Credit Helpline that your income is going to change. It will help if you can give an estimate of what you think your income is going to be.

Section Three: Further information



Getting things done online

Online Services

Throughout this guide you will have noticed many references to websites and online facilities. Controlling your business online has never been easier, and there's a range of different services on offer from HMRC to help you get started.

These include help for:

- individuals and employees
- employers
- business and companies
- agents and tax practitioners.

To tell HMRC you have started in business, taken on an employee for the first time or if you need to register for VAT, you can use HMRC's online service, which you will find on the HMRC website. The service allows you to register for the following business taxes:

Self Assessment

PAYE

Corporation Tax

VAT.

Once you have enrolled to use either HMRC's Corporation Tax or Self Assessment online service you can set up a Business Tax Dashboard. You can use your dashboard to see the tax position for your business across different business taxes as it brings together information from your HMRC online services.

Visit the HMRC website at **www.hmrc.gov.uk** for more information. If you need help when using the online service you can contact HMRC for assistance.

Go to **www.hmrc.gov.uk/olshelpdesk** for advice on all online services except VAT Online. For VAT Online go to **www.hmrc.gov.uk/olshelpdesk/vat**

To see the HMRC online demonstrator visit **www.hmrc.gov.uk/demo**

Key online dates to be aware of

April 2013

All employers now use the Real Time Information (RTI) system for PAYE, unless HM Revenue & Customs (HMRC) has told them they're exempt.



Help available from HMRC

General Help

There are many sources of information, advice and support available to people starting a new business. No one expects you to know how to do everything.

Newly Self-Employed: www.gov.uk/browse/business/setting-up

Self Assessment

Self Assessment: www.gov.uk/self-assessment-tax-returns

National Insurance contributions

National Insurance: www.gov.uk/browse/tax/national-insurance

National Insurance contributions for self-employed people with small earnings visit www.gov.uk/self-employed-national-insurance-rates (this includes the Small Earnings Exception form).

Voluntary National Insurance contributions visit www.gov.uk/voluntary-national-insurance-contributions

National Insurance for Company Directors visit www.gov.uk/running-a-limited-company/taking-money-out-of-a-limited-company

Corporation Tax

For help with Corporation Tax, you can find details at www.gov.uk/running-a-limited-company

PAYE

Help for employers www.gov.uk/browse/employing-people/payroll

Working in the UK, visit www.gov.uk/check-an-employees-right-to-work-documents for more information.

VAT

Visit www.gov.uk/vat-businesses

Construction Industry

Construction Industry Scheme visit www.gov.uk/what-is-the-construction-industry-scheme

Tax credits

Tax credits visit www.gov.uk/working-tax-credit

Online seminars for businesses and the self-employed

HMRC offers a series of free online presentations or 'webinars' to give tax help to businesses and the self-employed. The webinars cover many different topics including:

- business expenses
- capital allowances
- first steps as an employer
- the Construction Industry Scheme
- an overview of Limited Companies
- how VAT works.

To take part in a live webinar or view a recorded presentation, visit www.hmrc.gov.uk/webinars/index.htm

Getting someone else to do it for you

An accountant can help you to organise your business to make it as financially rewarding for you as possible. If you decide to use an accountant, please remember, it is your responsibility to make sure any tax returns are completed accurately and received by HMRC on time and any payments are made by the due date.

General help available

There is general information available through:

UK

Visit www.gov.uk

Wales

Business, Support, Information and Advice
Visit www.business.wales.gov.uk
or call **03000 6 03000**.

Scotland (Lowlands)

Small Business gateway
Visit www.bgateway.com
or call **0845 609 66 11**.

Scotland (Highlands)

Highlands and Islands Enterprise
Information Source
Visit www.hie.co.uk/
or call **0845 609 66 11**.

Northern Ireland

Northern Ireland Business
Visit www.nibusinessinfo.co.uk
or call **0800 181 4422**.

Enterprise agencies and chambers of commerce

Enterprise agencies and chambers of commerce also offer support. If you are aged 18-30, you might be able to get help from The Prince's Trust. At the other end of the scale, PRIME helps the over 50s.

Jobcentre Plus

If you are unemployed, tell your Jobcentre Plus you are thinking about working for yourself. As well as sorting out your benefits and tax credits, you might be able to get other assistance.

