

APRIL 2024

# Filing your tax return 2023-24

## Reasons to file sooner rather than later

We are now into the next self-assessment tax return filing cycle, for the year ending 5 April 2024. Although the deadline for filing these returns is 31 January 2025, there are compelling reasons for doing this sooner.

This alert sets out why you may be advantaged by filing your 2023-24 tax return now...

### Secure tax refunds earlier

If you have paid too much tax during 2023-24, it can take some time for HMRC to crunch the numbers and make the appropriate refund.

When you submit your tax return for 2023-24, this triggers an automated reconciliation of the information HMRC hold about your earnings and tax paid – provided by your employer(s) etc. – and the data on the return.

If it turns out that tax payments made are more than they should have been, then a tax refund will be made.

If you delay filing your tax return, after all there is always tomorrow, you may also be delaying your refund. Why leave your hard earned money in the Treasury bank account when it could be in yours?

### Determine how much tax you owe

Certainty about the amount of tax and NIC that you may need to pay is information that is best determined as soon as possible after the end of the tax year (5 April 2024).

For example, if your actual income or other taxable gains create a liability above the amounts of any payments on account you may have paid or are payable for 2023-24, this balancing liability will be due for payment on or before 31 January 2025. Let's say the underpayment is £4,000.

Theoretically, you could complete and file your 2023-24 tax return on 31 January 2025, BUT you would have no time to consider how you were going to fund the £4,000 payment. If you filed your return say June 2024, you would have the best part of seven months to accumulate the £4,000 tax due.

## Peace of mind

You will probably feel better if you deal with this annual chore earlier in the filing cycle. Certainty about the amount of any tax you may owe, and the knowledge that the job is done for another year, are peace of mind benefits that are worth considering.

## Don't forget tax planning opportunities

In a similar vein, don't forget that leaving everything to the last minute may disqualify you for any planning changes you could make to mitigate tax payments due. For example:

- Carry-back charitable donations; or
- Elect to have a tax underpayment paid by adjusting your tax code in a future year.

If you are a higher rate income tax payer, investing in an annual tax planning review combined with the early processing of your tax return will provide you with the certainty that you are only paying what you are legally obliged to pay and that you are taking advantage of all the appropriate opportunities to reduce these payments.

## Book a fact-find call now

Pick up the phone and let's have a conversation to see if there would be value for you in taking a closer look at your tax affairs.

## Pass on the news

Also, if you know anyone else who may be interested in this update, by all means forward them this email, and please let them know that we would be delighted to help them if they need more information about early bird tax return filing or any other tax matter.