



## O'HARAS

Chartered Accountants  
& Registered Auditors

VAT Registration No. 671 7828 02  
Radleigh House, 1 Golf Road,  
Clarkston, Glasgow G76 7HU.  
Telephone 0141 638 8216  
Email enquiries@oharas.co.uk  
Web www.oharas.co.uk

### Covid-19: Deferring tax payments

If your business is struggling to meet its tax obligations, please note the following. In general, VAT and self-assessment payments on account can be delayed without request and HMRC are considering time to pay arrangements for all other taxes on a case by case basis.

#### VAT

- VAT payments deferred for 3 months and will apply from 20/03/20 until 30/06/20. This would cover the February, March & April quarters for 1 quarter.
- Automatic – no application required.
- VAT return still to be submitted on time.
- VAT direct debit should be cancelled. HMRC may collect money if not cancelled soon enough. Direct debit to be set back up again after for subsequent payments.
- This is a deferral and liability should be settled prior to 31/03/21.
- No interest will be charged for late payment.

#### Self-assessment

- All July 2020 payments on account have been deferred until January 2021. This applies for all those in self-assessment.
- No interest or late payment penalties charged in this period.
- Any interest/penalties for payments that were due before the Coronavirus outbreak will still be running.

#### Corporation tax

- No formal deferment of corporation tax.
- Interest on late payment generally charged at 3.25%.
- If considering late payment, please call HMRC (see Time to pay arrangements below).

#### PAYE/NI

- Individuals will still be paying tax and NI under current guidelines.
- 'furloughed' workers whose wages are being subsidised by HMRC should still have tax and NI deducted in the normal way.
- for a breakdown of the penalties in place in relation to non-payment of PAYE/NI/CIS, please visit <https://www.gov.uk/guidance/what-happens-if-you-dont-pay-payee-and-national-insurance-on-time>
- If considering late payment, please call HMRC (see Time to pay arrangements below).

#### CIS

- CIS should be accounted for as normal.



The Mark of Quality

O'Haras is the trading name of O'Haras Accountants Limited

Registered to carry on audit work in the UK and regulated for a range of investment business activities by the institute of Chartered Accountants of Scotland

Registered in Scotland No. SC371533

- Generally, those in CIS will expect a refund and therefore it is advisable to file related returns as soon as possible to accelerate refunds.

**Time to pay arrangements**

- If unable to make payment for taxes other than VAT and Income tax (self-assessment), call HMRC's dedicated Covid-19 helpline to organise a 'time to pay' arrangement to spread the cost.
- HMRC will consider waiving penalties and interest due.
- The helpline number is 0800 0159 559. Opening hours are Monday to Friday 8am to 8pm, and Saturday 8am to 4pm.