

Coronavirus (COVID-19) Support

SUPPORT ON PAYING TAXES

What's being offered?

- All business and self-employed struggling with cashflow due to COVID-19 and with outstanding tax liabilities (VAT, Corporation Tax, PAYE, Income Tax) may be eligible to 'spread' payment of taxes, through a time to pay arrangement.
- Self-assessment tax payments due to paid at 31st July 2020, are now deferred until 31st January 2021.
- VAT Deferral - businesses will not need to make a VAT payment relating to the VAT return periods (month or quarter) ending:
 - 29 February 2020 – due for payment 7 April 2020
 - 31 March 2020 – due for payment 7 May 2020
 - 30 April 2020 – due for payment 7 June 2020
- Businesses who normally pay by direct debit should cancel their direct debit with their bank if they wish to utilise this deferral period. *Please do so in enough time so that HMRC do not attempt to automatically collect on the direct debit date.*
- VAT returns should be submitted as normal. Usual surcharges will apply if submitted late.
- Liability arising for this deferral period should be settled to HMRC no later than 5th April 2021. Any VAT refunds/reclaims for this period will be paid as normal.

How to claim?

- HMRC have setup a dedicated helpline on 0800 0159 559 for 'time to pay' arrangements. Arrangements are agreed on a case by case basis depending on circumstances.
- Self-assessment deferral will be applied automatically – no need to apply.
- VAT deferral will be applied automatically – no need to apply.
- *As it stands, there does not seem to be any leeway with regards to filings of returns. Current advice is that all businesses should continue to file all VAT/CT/PAYE returns to avoid late filing penalties and make a 'time to pay' arrangement for the tax with HMRC.*

Timescale for support?

- Available immediately

ACCOUNTS & TAX COMPLIANCE

What's being offered?

- Companies House are now offering extensions of **3 months** to accounts filing deadlines for limited companies/LLPs badly affected by Coronavirus.
- *Side note – Companies House Scotland is now closed. Any postal documents to be submitted should be filed at Companies House Cardiff until further notice. All same day services are now also currently suspended.*

How to apply?

- Application can be made by post to Companies House, Cardiff or via online at <https://beta.companieshouse.gov.uk/extensions>
- You will need to document reasons for requesting extension and may need to provide supporting documents, where necessary.

Timescale?

- It is imperative that application is made **prior** to current filing deadline. Applications after this will not be accepted and late filing penalties will be applied.
- Decisions on extension request can take up to 5 days, so please ensure you give yourself this time with any application.

IR35" tax rules for contractors – changes delayed until 2021

As a result of the Covid-19 crisis, proposed changes to the "IR35" tax rules for contractors working through their own service company have been put back by a year, and will now take effect from 6 April 2021.

The rules apply to independent contractors who use a service company (which they own) to engage with their clients, rather than the contractor engaging directly with the client. The effect of the IR35 rules is to impose tax charges (effectively PAYE and NIC) on the service company. However following changes which took place in 2017, imposing the tax charges on the end client if it is a Public Sector body, the next round of changes will do the same to Private Sector end clients. These changes were due to have come into force on 6 April 2020, but the start date has now been postponed to 6 April 2021. This means that contractors can continue to operate as they have been doing, for another year.

Making Tax Digital for VAT

Soft landing period extended. All businesses now have until their first VAT return period starting on or after 1st April 2021 to put digital links in place with their compatible reporting software.

BUSINESS SUPPORT CONTACT DETAILS

- **Find Business Support Scotland**

Website - <https://findbusinesssupport.gov.scot/>

Telephone – 0300 303 0660

NON-BUSINESS (PERSONAL)

What's being offered?

- 3-month mortgage holidays, including Buy to Let mortgages for private landlords.
- Credit card forbearance. Emergency credit limit increases being offered, while some will offer repayment holidays.
- Statutory sick pay to paid at the same rate as that paid to employees - £94.25 per week.
- Zero-hours contract workers can claim SSP if they earn more than £118 per week.
- Universal credit standard allowance and Working Tax Credit raised by £1,000 for the next 12 months. Relaxed rules on applying for Universal Credit.
- Increased protection for Tenants:
 - Social Housing – local authorities to relax immediate demands to allow for benefit applications to be processed to support payments.
 - Private Residential Tenancy agreements – mandatory grounds for eviction, increased from 3 months (*in rent arrears consecutively for 3 months, with 1 month unpaid*) to 6 months.
- Crisis Grants available from Scottish Welfare fund for those who have suffered significant reduction income, made redundant, on temporary unpaid leave. See <https://www.mygov.scot/scottish-welfare-fund/crisis-grants/>

How to claim?

- Telephone call to lender to discuss.
- Call or visit local DWP office (if open) to apply