



New to Business?

HMRC Advice Team



So, you're setting up your own business?

We'll tell you

- What you need to know
- What to do and when to do it
- Advice to help you along the way



Sole trader

- Individual who is self employed
- Pay income tax through Self-Assessment
- Pay Class 2 and Class 4 National Insurance



Partnership

- Two or more people in your business.
- Profit usually shared between each partner.
- Each partner pays Class 2 National Insurance.
- Each partner pays tax & Class 4 National Insurance via self assessment.



Construction Industry?



Construction Industry

- May be a contractor or subcontractor or both
- Payments usually fall within the Construction Industry Scheme (CIS)
- Both contractors and subcontractors must register within the CIS
- All payments made from contractors to subcontractors must be handled by contractors
- Must take account of subcontractors tax treatment



Where do you start?

You need to register with HMRC by

- Contacting the Newly Self Employed Helpline
08459 15 45 15
- or
- Online at: www.hmrc.gov.uk/selfemployed/

For CIS also register on CIS Helpline - 0845 366 7899



What happens then?

- We'll send you a Notice to complete a Tax Return
- Shortly after the end of the tax year - 5 April
- The return has sections for income and expenses during the year



What happens after you've done your tax return?

You will need to send it to HMRC by

- 31 October if a paper return
- 31 January if an electronic return

There are penalties for late returns



Keeping records



Keeping records

You'll need to keep records of

- All the things you buy for your business
- All the things you sell from your business
- Keep all your receipts & purchase invoices
- Keep copies of your sales invoices



Going limited?

- Register with Companies House
- File statutory documents: accounts/annual returns
- Corporation tax – charged on company profits
- Directors pay tax and NIC on their wages/salary
- Directors will need to complete self assessment tax returns



Taking on staff?

You need to tell HMRC if you take on staff

You will then have to:

- Set up Pay As You Earn (PAYE) scheme
- Deduct tax and National Insurance from employees
- Be responsible for statutory payments – sick, maternity, paternity, adoption
- Pay deductions to HMRC

Register on New Employer's Helpline: 0845 60 70 143



When do you need to think about VAT?

If your taxable turnover for past 12 months goes over:

- £70,000 (2010-11)
- or in the next 30 days
- or if you take over an existing business as a going concern that is already registered

You can register before this if you wish



How to get registered

- Online at - www.hmrc.gov.uk/vat/start/register/index.htm
or
- Request form VAT 1 from VAT Helpline

Your unique VAT registration number will then be issued.



Workshops for businesses

- Newly Self Employed
- Business Expenses and Capital Allowances
- SA Online
- Setting up a Limited Company
- The Construction Industry Scheme



Workshops for employers

- Becoming An Employer
- Paying Someone for the first time using the Employers CD ROM
- Expenses and Benefits
- Statutory Payments
- Becoming A Director
- Employers Annual Returns



How to Contact Us

- Helpline for the Newly Self Employed – 0845 915 4515
- VAT, Customs & Excise Helpline - 0845 010 9000

Book onto a workshop?

- Advice Team Central Booking – 0845 603 2691
- Online at www.hmrc.gov.uk/bst/work.htm



And remember.....

.....tax doesn't have to be

.....taxing!