



ROLAND KLEPZIG  
CARBON ACCOUNTANCY

## Roland Klepzig Carbon Accountancy Tax Tips

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1. **Marriage Allowance** lets you transfer £1,060 of your Personal Allowance to your husband, wife or civil partner. Adding £1,060 to your partner's Personal Allowance means they'll pay £212 less tax in the tax year (6 April to 5 April the next year). You can get Marriage Allowance if both: a) your partner's income is between £10,601 and £42,385 and b) you and your partner were born on or after 6 April 1935.
2. If you have any **reserves left in your company** it's better to take dividends in 2015/16, before the new dividend tax rules kicks in April 2016 (tax year 2016/17).
3. **While you wait for a VAT number**, you cannot charge or show VAT on your invoice - however you need to pay it for this period. You should increase your prices but not show VAT on the invoice. Once you've got your VAT number you can reissue the invoices showing the VAT.
4. A reminder for **claiming VAT on purchases made before registration** - you can reclaim purchase VAT incurred for goods purchased up to 4 years prior to your date of registration and for 6 months for services – so you can backdate VAT claims! (Caveat that VAT must be paid on any sales in the period you claim VAT on purchases).
5. Personal tax return – make sure you claim any **professional subscriptions** e.g. trade magazines, networking groups.
6. **Rent a room relief** is an optional scheme that lets you receive up to £4,250 in rent each year from a lodger, tax-free. This only applies if you rent out furnished accommodation in your own home.
7. **Transfer assets**: Transfer savings and investments to your husband, wife or civil partner if they pay a lower rate of tax than you do.
8. **Review the income split between husband and wife**. Consider transferring assets to even up incomes. If the husband or wife is self-employed their spouse could be employed or taken into partnership as a means of redistributing income. HMRC may however look closely at such situations to ensure that it does not amount to an 'arrangement' to transfer income from a higher/additional rate taxpaying spouse to one liable at the basic rate.
9. **Make sure you tell HMRC which of your properties should be treated as your main home for tax purposes** when you buy a second or even third home. The property that has always been your main home is free of capital gains tax (CGT).



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10. ***If you are getting married or entering into a civil partnership, and you both own separate properties*** which you continue to occupy for some periods, you need to nominate one of them as your main home within two years of your marriage/civil partnership.
11. ***If you own a trading company, then you can reduce the CGT payable on a future sale*** by spreading the shares between yourself and your spouse. If you both hold at least 5% of the ordinary shares, have done so for the 12 months before the sale and are either employed by the company, or hold the position of director or company secretary, you should both qualify for entrepreneurs' relief on any gains made when the company is sold. This relief applies a reduced rate of CGT of 10% to the first £10 million of lifetime gains made per person.
12. ***Non-resident landlords*** needs to tell HMRC if they have sold their residential property in UK after 05.04.2015 within 30 days of conveyance. For more information click on the link <https://www.gov.uk/guidance/capital-gains-tax-for-non-residents-uk-residential-property>
13. ***If you are not on PAYE or self-employed and want to remain eligible for state pension,*** don't forget to pay regular payments of voluntary class 3 NI
14. ***If you purchase more than one residential property from a seller*** you can apply reduce rates of stamp duty through Multiple Dwelling Relief. See link for more details <https://www.gov.uk/guidance/stamp-duty-land-tax-relief-for-land-or-property-transactions>
15. ***Limited company directors should have maximised their dividends*** in 2015-16 ahead of the increase in dividend tax of 7.5%