

TUTORS AND COACHES TAX CATCH-UP PLAN

A campaign to target private tutors and coaches who have undeclared tax liabilities has been launched by HM Revenue & Customs (HMRC).

HMRC has introduced a number of campaigns over the last couple of years to encourage individuals working in specific sectors to declare earnings that might not have been declared previously and to bring their tax affairs up to date. The previous campaigns have targeted, amongst others, doctors and dentists, plumbers and associated trades, and those who have unlawfully not registered for VAT.

The latest Tax Catch up Plan is for people who provide private lessons or tuition, regardless of whether they have a teaching qualification. It is aimed at those who profit from tuition and coaching, as a main or secondary income, on which the correct tax has not been paid because they have not told HMRC about it. The plan covers all those providing tuition, instruction or coaching. This includes, for example, tuition of traditional academic subjects, fitness and dance instruction, musical instrument tuition, art, services provided by life coaches and others.

Under the plan, tutors and coaches have until 31 March 2012 to come forward and tell HMRC about their outstanding tax for the tax years up to 5 April 2010, and pay what they owe. The plan is supposed to make it easy for taxpayers to put their tax affairs right and keep matters on the right track in the future.

Those who come forward by the deadline are likely to receive the best possible terms for paying the tax owed. If a penalty is applied, it is unlikely to be more than 20 per cent of the unpaid tax. Those who wait for HMRC to come to them may find that they have to pay much higher penalties, or even face criminal prosecution. After 31 March, using information pulled together from different sources HMRC say they will investigate those who have chosen not to come forward.

Individuals affected by the campaign have until 6 January 2012 to advise HMRC that they are required to make a disclosure and until 31 March 2012 to provide the relevant information. Those who wait until the taxman catches up with them have been warned that they will face higher fines and in some cases prosecution.

People can register online by completing a notification form online at www.hmrc.gov.uk or by calling HMRC on 0845 601 8817.

We are available to advise anyone who needs support in preparing any disclosure to HMRC. We can also act as agents for the taxpayer, undertaking all communication with the Revenue on your behalf.

If you have any questions about the issues covered in this update or if you would like to discuss anything in more detail, we are here to help. Contact us on 01856 872983 or by e:mail at enquiries@ajbscholes.co.uk.

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