



Tax Questionnaire

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Spend 10 minutes completing this tax-busting checklist and start cutting your tax bills down to size!

		Have you spoken to your accountant about this issue?		
		Yes	No	N/A
1)	<p>Are you sure that you are taking money out of your business in the most tax-efficient way? <i>Tip: If your business is a limited company it often makes sense to get your money out by a combination of salary and dividends. The many tax changes made in the last few years make this an essential area to look at again.</i></p>	Yes	No	N/A
2)	<p>Are you paying your spouse a tax efficient salary? <i>Tip: The salary must be sensible and reflect the work done/responsibility held.</i></p>	Yes	No	N/A
3)	<p>Have you made the most of your opportunities to save tax by investing in a personal pension? If you don't provide for retirement who will? <i>Tip: there are tax savings available for both employer (tax deductible) or employee (claim tax back) contributions.</i></p>	Yes	No	N/A
4)	<p>If you are a sole trader, have you considered taking your spouse into partnership?</p>	Yes	No	N/A
5)	<p>Have you considered the legitimate ways to increase or decrease your business profits so that your allowances and tax rates are used as efficiently as possible? <i>Tip: There are severe penalties for artificial transactions, but there are still some practical and legitimate steps you can take.</i></p>	Yes	No	N/A
6)	<p>If you are about to invest in a new car, computer or any other business equipment, have you considered the best time to buy them and the best way to pay for them?</p>	Yes	No	N/A



Tip: You will get tax relief a lot quicker if you make the investment shortly before rather than shortly after your business year-end.

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| 7) | If your business has made losses in the past, have you made sure that those losses are being used to reduce your current tax bills by as much as possible? | Yes No N/A |
| | | Have you spoken to your accountant about this issue? |
| 8) | If you run a very profitable limited company, have you done everything possible to make sure that your profits are taxed at 20% or 23%, instead of 23.8%?
<i>Tip: Companies with profits of between £1 and £300,000 are taxed at 20%. While for profits of more than £1.5m the tax rate is 23%. But for profits of between £300,001 and £1.5m, the tax rate effectively increases to 23.8%</i> | Yes No N/A |
| 9) | If you run a personal service company, have you taken appropriate steps to be outside IR35, or if liable ensure that the IR35 rules won't cost you a fortune in additional tax? | Yes No N/A |
| 10) | If you are self employed have you made sure that there is absolutely no possibility of the taxman charging you much more money by treating you as being employed by one or more of your best customers?
<i>Tip: You may firmly believe you are self-employed. But the taxman may think differently. And it could cost you a lot of money. So we strongly recommend you take some good advice.</i> | Yes No N/A |
| 11) | Have you considered recently (i.e. in the last 12 months) whether your business would be better off trading as a sole trader, partnership or limited company?
<i>Tip: The many changes announced in the last few Budgets have moved the goal posts once again.</i> | Yes No N/A |
| 12) | Have you planned ahead and taken action to minimise your tax bills when you eventually come to sell the business?
<i>Tip: Do you really want the taxman to take up to 45% of everything your business is worth? The amounts involved could be huge. But with proper planning you should be able to keep much more of your money in your pocket... and not in the taxman's.</i> | Yes No N/A |
| 13) | If you are new to business have you claimed for all of the pre-trading expenditure you are entitled to? | Yes No N/A |

- 14) If you are not already registered for VAT, do you have a system for making sure that you are still entitled to stay non VAT registered? From April 2013, if your sales are expected to exceed £79,000 then you must register for VAT now.
Tip: Our advice is to set up a system for monitoring your 12 monthly cumulative sales every single month.
- Yes No N/A
- Have you spoken to your accountant about this issue?**
- 15) If your sales are less than £1.35m a year, are you making VAT much easier and cheaper for your business by making the most of the cash accounting scheme?
Tip: Many businesses find that cash accounting dramatically improves their cashflow.
- Yes No N/A
- 16) If your sales (excluding VAT) are less than £150,000 have you considered switching to the new flat rate VAT accounting scheme?
*Tip: Under the flat rate VAT scheme, smaller businesses will not need to keep full records of invoices received and issued. Instead they will be allowed to pay VAT as flat rate percentage of their sales.
Tip: Not only could this scheme be simpler to administer, but it could be profitable to do so.*
- Yes No N/A

Your employees (which include YOU if your business is a limited company!)

- 17) Have you explored how to use pensions to cut your wage bills by up to 25.8%?
Tip: Under what are known as "salary sacrifice" schemes, it is possible to save (up to) 25.8% of salary that is normally paid as National Insurance contributions. These savings can, of course, be shared between you and your staff so that everybody is better off.
- Yes No N/A
- 18) Do you fully understand how to calculate the tax value of benefits in kind?
Tip: Under self-assessment it is your responsibility to calculate these tax values and include them on your employees' P11D's. Many of the calculations are not intuitive, and if you get them wrong you could find yourself facing a penalty of up to £3,000 per incorrect P11D!
- Yes No N/A
- 19) Have you told the taxman about any changes to your company cars or who uses them?
Tip: You should tell the taxman within three months of any changes.
- Yes No N/A

- 20) If you provide company cars, have you checked in the last year whether you and your employees could be better off by changing your company car and petrol policy?
Tip: Recent budgets have dramatically increased the tax on petrol given to employees for private mileage – so this could be an area well worth looking at again.
- 21) Have you looked at how the mileage rules for limited companies affect you and your employees?
- 22) Have you considered providing your employees with the new low emission cars?
Tip: You can claim 100% tax relief when you buy certain low emission cars which have a CO2 emission threshold below 95g per km.
- 23) Vans where the private use is limited to home to work travel will no longer be taxed as benefits in kind. Are you able to identify vans where private use is limited to home to work use so that the company and employee save tax? If not, then the benefit in kind can be upto £3,500 for the year for each employee.
- 24) Are you certain that you make the most of tax-free benefits in kind for your staff?
Some of the possibilities include:
- ✎ Providing mobile phones
 - ✎ Subsidising certain forms of transport to and from work – including bus fares
 - ✎ Providing workplace nurseries and crèches up to £55 per week or £243 per month can be paid free of tax and NI to external child carers.
 - ✎ Paying relocation expenses
 - ✎ Making cash awards for contributions to a staff suggestion scheme
 - ✎ Allowing staff to use pool cars for business purposes
 - ✎ Paying staff up to 5p a mile if they use their own car to take fellow employees on the same business trip
- And even... paying employees up to 20p a mile when they use their own personal bicycles on business journeys! (or up to 24p a mile if they use their personal motorbike)
- 25) If you use contract workers and freelancers, have you made absolutely sure that the taxman has no grounds for treating them as your employees?
Tip: This area can be a real minefield. Many businesses have unexpectedly found themselves with very expensive tax and NI bills for people that they thought were contractors and/or freelancers – but the taxman regarded as employees.

Yes No N/A

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this issue?

Yes No N/A

Yes No N/A

Yes No N/A

Yes No N/A

- 26) Have you looked into whether it is possible to cut your costs and improve your cash flow by paying your PAYE and NI quarterly instead of monthly?

Yes No N/A

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27) Are you sure that you are staying on the right side of the minimum wage law?
Tip: From October 2012 the national minimum wage increased to £6.19 per hour for workers aged 21 and over.

Yes No N/A

28) Have you asked the HM Revenue and Customs for P11D dispensations to reduce your paperwork?

Yes No N/A

Your family

29) Have you made a will? Have you updated it recently?
Tip: There are many compelling reasons for writing a will. For example, without one it could be up to the courts to decide who will be the guardians of your children and you may also have to pay thousands of pounds in unnecessary tax and legal costs. Why make things even worse for your loved ones? Make a will now!

Yes No N/A

30) What happens to your family and business if you are ill or die? Do you have life assurance, permanent health insurance and critical illness cover? Have you reviewed your policies recently? Are they still the best policies for you?

Yes No N/A

31) If you give money to charity, have you made sure that the taxman makes your donation even bigger by using, for example, Gift Aid and payroll giving?
Tip: Recent Budgets made it even easier to get the taxman to contribute every time you give to charity.

Yes No N/A

32) Have you considered changing your mortgage?
Tip: Most banks and building societies offer big interest rate subsidies to people switching mortgage. They are also making the process of switching very, very easy and cheap. What price are you paying for staying loyal to your current mortgage provider?

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| 33) Now that tax relief on mortgages has been abolished, have you considered reducing your mortgage?
<i>Tip: if the net interest rate you earn on your savings is less than the interest rate you are paying on your mortgage, then you will save money by using your savings to pay off some or all of your mortgage.</i> | Yes No N/A |
| 34) Have you made full use of the fact that your children can earn over £20,340 a year as income and capital gains – completely tax free? | Yes No N/A |
| 35) If your estate is large have you considered: | Yes No N/A |
| <ul style="list-style-type: none"> ✎ Taking out an insurance policy that will pay your inheritance bills when you die? ✎ Including provisions in your will to utilise the inheritance tax nil rate which can save over £130,000 of tax. ✎ Using lifetime gifts to avoid paying inheritance tax altogether? ✎ <i>Tip: One of the saddest aspects of our job is having to tell families that up to 45% of everything their loved ones worked so hard to build up and earn must be handed over to the taxman. And it's made even sadder by the fact that it is all so unnecessary. The truth is that, by acting early enough, most people can prevent the taxman getting a penny.</i> | |
| 36) If you are intending to pay for private education for your children, have you taken steps to either put enough money aside to fund it, and/or explored the possible tax breaks to make the money go further?
<i>Tip: There are no tax breaks specifically designed to help parents finance their children's education. But if you are fortunate enough to have other family members (usually grandparents) who want to contribute towards the costs, then there are some very tax efficient ways of making this possible.</i> | Yes No N/A |

Your Investments

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| 37) | Have you reviewed your investments to ensure that they are appropriate and performing well? Are they giving you the right balance of income and capital growth? | Yes | No | N/A |
| 38) | Have you considered investments that can give you a tax-free return? For example: National Savings Certificates, Friendly Societies and ISA's. | Yes | No | N/A |
| 39) | If your spouse pays tax at a lower rate than you, have you considered passing some of your investments to them in order to reduce your combined tax bills? | Yes | No | N/A |

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| 40) | <p>If some of your investments have done very well and grown in value have you considered whether it is sensible to sell some of them to save yourself even higher tax bills in the future?
 <i>Tip: Everybody is allowed to make £10,900 tax free capital gains in 2013/2014, but many people waste this tax free allowance and end up paying higher tax bills later. Don't join them!</i></p> <p><i>Tip: "Bed and breakfasting" investments are no longer possible. But you may still be able to save tax by selling shares and buying them back more than 30 days later. Although you will, of course, be taking a risk that the price of those shares may have gone up in the meantime!</i></p> | Yes No N/A |
| 41) | <p>Have you made sure that the non-taxpayers in your family receive their interest gross – i.e. without their bank or building society deducting tax?</p> | Yes No N/A |
| 42) | <p>Have you considered the four main ways of getting tax relief on the full cost of your investments and not just on the interest you earn on those investments?
 <i>Tip: The main examples are pensions, venture capital trusts, investments in enterprise zone properties and investments under the enterprise investment scheme. The last three can be very risky. Never invest more than you can afford to lose and always take professional advice before investing.</i></p> | Yes No N/A |
| 43) | <p>If you are considering investing in property to let (other than your home), have you considered taking out a loan to finance the purchase?
 <i>Tip: Even if you don't actually need to borrow now, it may still make sense to borrow and use your spare capital for other purposes. The reason for this is that you can get up to 40% tax relief on the interest you pay on the loan – which makes it one of the cheapest ways to borrow money.</i></p> | Yes No N/A |
| 44) | <p>Are you a residential landlord and are considering installing loft or cavity wall insulation?
 <i>Tip: Up to £1500 of expenditure on loft or cavity wall insulation is now tax deductible.</i></p> | Yes No N/A |

This checklist is designed to alert you to some of the major issues you should be considering. It is not a replacement for professional advice tailored to your precise needs and circumstances.

We strongly recommend that you contact your accountant today to discuss any questions where you have answered "No".

Alternatively you are welcome to contact Lowson Ward on 0121 778 6278
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