

COMPLIANCE

Tax planning & Self Assessment

Planning for the business and the family behind it, not just a return once a year. The key dates, the 2026/27 rates and the ideas worth reviewing annually.

Self Assessment: the key dates

DATE	WHAT HAPPENS
5 October	Register for Self Assessment if you had new untaxed income in the last tax year
31 October	Deadline for paper returns
31 January	Online return due. Pay the balance of last year's tax and the first payment on account for this year
31 July	Second payment on account due

A late return costs £100 immediately, then £10 a day after three months (up to £900), with further penalties at six and twelve months. Late tax carries interest at base rate plus 4%.

Making Tax Digital for Income Tax

Since **6 April 2026**, sole traders and landlords with qualifying income over **£50,000** must keep digital records and send quarterly updates to HMRC using compatible software. The threshold falls to **£30,000** from April 2027 and **£20,000** from April 2028.

Qualifying income is your combined gross turnover from self-employment and property, not profit. Quarterly updates are due by 7 August, 7 November, 7 February and 7 May, with a final declaration by 31 January.

2026/27 rates at a glance

Personal allowance	£12,570
Income tax	20% / 40% / 45%
Dividend tax	10.75% / 35.75% / 39.35%
Dividend allowance	£500
Capital gains tax	18% / 24%
CGT exempt amount	£3,000
Pension annual allowance	£60,000
ISA allowance	£20,000
Corporation tax	19% to 25%
Employer NIC	15% above £5,000

Rates for England, Wales and Northern Ireland. Scottish income tax rates differ.

Coming in April 2027

Tax on property and savings income rises to 22%, 42% and 47%, and most unused pension funds come into the estate for inheritance tax.

Taking money out of your company

For many owner-directors, a salary up to the personal allowance with dividends on top is still the starting point. But dividend tax rose by 2 percentage points in April 2026, and employer National Insurance is 15% on pay above £5,000. **Employer pension contributions** are often now the most efficient route: deductible for corporation tax, with no National Insurance.

Ten ideas worth reviewing every year

- ☐ **Share income with your spouse or partner**, for example through shares that carry dividends, to use both sets of allowances and tax bands.
- ☐ **Make employer pension contributions** from the company instead of taking extra salary or dividends.
- ☐ **Time dividends** across tax years to keep income in lower bands.
- ☐ **Avoid the £100,000 trap**. Between £100,000 and £125,140 the personal allowance is withdrawn, an effective 60% rate. Pension contributions and Gift Aid can restore it.
- ☐ **Claim capital allowances**. The Annual Investment Allowance covers up to £1m of plant and machinery a year.
- ☐ **Check for research and development relief** if you solve technical problems in your products or processes.
- ☐ **Use your annual allowances**: the £3,000 capital gains exemption and £20,000 ISA allowance cannot be carried forward.
- ☐ **Consider an electric company car**. The benefit-in-kind rate is 4% in 2026/27, far below petrol or diesel.
- ☐ **Watch the child benefit charge**, which starts at £60,000 of income and takes back all child benefit at £80,000.
- ☐ **Review inheritance tax plans**. Business relief is capped at £2.5m per person, and pensions come into the estate from April 2027.

How we work

- 01 **Annual planning meeting** between January and March, before the tax year ends on 5 April, covering the business and the family.
- 02 **Returns prepared early**, from the information you send, so you know the tax bill well before 31 January.
- 03 **Making Tax Digital set-up** with the right software, and quarterly updates filed for you.
- 04 **We act as your agent with HMRC**, dealing with their letters, statements and any enquiries.

PLANNING POINT

Most tax planning has to happen before 5 April. After that, the year's income, allowances and bands are largely fixed. A conversation in January is worth far more than one in December.

TALK TO A PARTNER

A tax plan, not just a tax return

We review the business and the family together each year, so you pay the right tax and no more. You deal directly with Doug Murphy or Stephen Thompson, not a rotating account team.

[Book a discovery call →](#)

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