



“**15**  
YEARS OF  
EXPERIENCES



WEEK 06  
2021

**NEWSLETTER**  
SELF-ASSESSMENT TAX RETURN MISTAKES

# 3 COMMON **SELF-ASSESSMENT TAX** RETURN MISTAKES ALL SOLE TRADERS SHOULD AVOID

When it comes to sole trader accounts and personal tax returns, it pays to be on the ball. This is especially true when it comes to filling in your annual self-assessment tax return as a sole trader.

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Not paying close attention to this key business task can see you land in hot water with HMRC and face stiff penalties. Very often, it is actually helpful to see what common mistakes other sole traders make, so you can avoid them.

## BUT WHICH ARE NORMALLY SEEN TIME AND TIME AGAIN?

### NOT KEEPING UP WITH CHANGES TO TAX LAWS

This is not only a common mistake some sole traders make but also a potentially costly one. If you complete your return using defunct bandings, formulas or guidance, then it will be incorrect. This could well see you facing financial penalties from HMRC. The tax rules in the UK change frequently hence it is important to keep pace with them. Do not just learn what you need to in the first year of business and then forget to keep abreast of any updates.

***Become our client and remain stress free on your accounting and tax issues.***

## INCORRECT EXPENSE CLAIMS

The majority of sole traders will incur genuine business expenses which they can claim back on their annual return. Be careful to only claim valid expenses though and leave out any that are not deemed eligible. Claiming against expenses which are not tax-deductible can hold up your claim or prompt HMRC to investigate further. Do not make the mistake of thinking every outgoing you have is a valid expense - remember to double-check the official guidance first.

## SIGN AND DATE IT!

This may sound trivial, but it is still one of the most widely seen mistakes when it comes to submitting your self-assessment. When you are sure it is all correct, you must sign and date it. If you forget, it will not be eligible and will not be processed.

## WHY NOT OUTSOURCE IT TO THE EXPERTS?

Most sole traders are busy enough with their main business and do not have time to keep up with tax law changes or spend hours filling their return in. In light of this, why not outsource this task to the experts at Taxcare Accountancy? Our team of professional and qualified accountants have many years of experience in preparing self-assessment returns for sole traders.

## GET IN TOUCH

If you are looking for help with sole trader accounts and personal tax returns, get in touch today on 0208 478 3383.



Find contact details in the last page.



***Positive, Proactive and Professional business Accountants.***

## Self Assessment tax returns

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### Overview

Self Assessment is a system HM Revenue and Customs (HMRC) uses to collect Income Tax.

Tax is usually deducted automatically from wages, pensions and savings. People and businesses with other income must report it in a tax return.

[If you need to send one](#), you fill it in after the end of the tax year (5 April) it applies to.

### Related content

- [File your Self Assessment tax return online](#)
- [Understand your Self Assessment tax bill](#)
- [Pay your Self Assessment tax bill](#)
- [Register your client's estate](#)

### Brexit

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