

TAKE ACCOUNT

Welcome to the latest edition of our newsletter, which we hope will be of interest.

The Partners and Staff would like to take this opportunity to wish you all a Happy Christmas and a peaceful and prosperous New Year.

New tax exemption

We thought that this particular nugget, which had been announced by the previous Chancellor, had been dropped but it has now been confirmed that from 6th April 2016 a new allowance of £1,000 will apply to profits made from low level trading eg: occasionally selling items on ebay and to property rental income.

The new zero rated tax bands

Personal savings allowance

Since 6th April 2016, a 0% tax rate (called the 'personal savings allowance') applies to the first £1,000 or £500 of savings income from basic and higher rate taxpayers, respectively.

The allowance applies to interest from accounts with banks, building societies, credit unions, National Savings and similar organisations. It also applies to interest paid by authorised unit trusts, open-ended investment companies, investment trusts and income from government or company bonds and most types of purchased life annuity payments.

The allowance is not available against any other types of investment income.

Dividend nil rate band

The first £5,000 of dividend income received by an individual on or after 6th April 2016 will be taxed at 0%.

Lifetime ISA's

If you are between 18 and 40 you can invest in the new Lifetime ISA from April 2017.

The maximum is £4,000 per year per person and the Government will add a tax free bonus of 25% of the amount saved, if you keep your account until you reach 60, or earlier if you use it to buy your first home.

Letting expenses

Since April 2016 residential landlords have been entitled to a new tax deduction when they buy domestic items for their properties, which replaces the 'wear and tear' allowance previously available to furnished residential accommodation.

The new allowance gives tax relief for the cost of replacement of domestic items and applies to both partly furnished or unfurnished residential properties, as well as furnished ones. However, it doesn't apply to furnished holiday lets, which have a different deduction regime.

Under the new rules, there is no tax relief available when you buy domestic items to set up the letting in the first instance. However, when replacements are required, the full cost can generally be claimed.

Domestic appliances include items such as moveable furniture, plus soft furnishings and household appliances.

The relief only covers a 'like for like' replacement and so, if you upgrade an item, relief will not be available for the whole cost. It is, therefore, important that all invoices are kept (and, indeed, there is a statutory requirement to keep records) in order to substantiate any expense claims made.

Winter 2016



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Don't Forget

31st January 2017 – is the deadline for filing your 2016 Tax Return – if you have yet to let us have the information to prepare your Return, time is running out!

Please, please, let us have your Tax Return information as soon as possible, so that we can minimise the last minute rush and be more pro-active in dealing with your tax affairs

6th July 2017 – 2016/17 Form P11D filing deadline.

31st July 2017 – Second payment on account for 2016/17.

31st October 2017 – Deadline for filing 2017 'paper' Tax Returns. The online filing deadline remains 31st January 2018.





Second home exemption

Since 1st April 2016 anyone buying a second home is liable to pay a 3% Stamp Duty Land Tax (SDLT) surcharge.

This applies even when owning two homes is temporary.

The government's original proposal was that if within 18 months of buying your new home, you sold the old home, a refund of the SDLT surcharge could be claimed.

The good news is that this period has now been extended to 3 years.

Employment allowance

The employment allowance (EA) is a credit that most employers can claim against their National Insurance bill and your payroll software will work out and deduct the EA where you indicate that you are entitled to it.

On 6th April 2016 it increased from £2,000 to £3,000 but new rules mean that one man companies ceased to qualify from this date.

The simplest way around the new rule is to add your spouse or partner to the payroll, however, be aware of the Revenue's anti-avoidance rules, which stop you from claiming the allowance under certain circumstances.

Broadly, if you pay your spouse or partner at least £156 per week and they work to justify this pay, then there should be no issues in claiming EA.

TEAM NEWS

LeRoy Crossman who worked with us for over 10 Years, retired earlier this month and we are sure you will join us in wishing him a long and happy retirement.

We are delighted to welcome two new members of staff, Leanne Rudman and Joe Hyatt who joined our audit team this year.

Leanne joined us in July 2016 straight from Cheam High School Sixth Form and is currently studying for the ACCA qualification. Her hobbies include dancing and she has danced in three shows with the Phillomena School of Dance. She also volunteers for her local Brownies group every Tuesday.

Joe joined us in October 2016 having successfully completed the first year of an accounting degree but he felt that it was time to get stuck into the real world of accounting. He hopes to begin studying for the ACA qualification in the New Year. Joe is very active and enjoys playing both hockey and football on a regular basis.

Fundraising 2016

Throughout the year the staff and partners of Myrus Smith have worked hard to raise funds for charity:

The Great Myrus Smith Bake off!

This year we ran a competition to raise money for Charity. Each week throughout November and December everyone took it in turns to bake cakes. Donations were made for slices and scores were given.

The winner was Dawn with a very festive chocolate wreath pictured here, the wooden spoon went to Tim; no picture available as some may find it distressing!!



£340 will be heading its way to Macmillan Cancer Support.



Weekly Mufti Fridays raised £197 and the Christmas Card Poster raised £10. The partners increased this to £450 which is going to the Rainbow Trust Children's charity.



The Christmas Jumper day and competition raised £80. Following a donation by the partners, a total of £200 will be donated to Save the Children.



The Christmas Raffle raised £178, which the partners increased to £360. The charity picked out of a hat, was the PDSA.



The total donations for the year were a record breaking £1,350!

Wishing you all a very Merry Christmas and a Happy New Year!

DISCLAIMER

This newsletter has been produced for the general information of our clients, professional contacts and friends of the firm. It is intended to give a brief summary of issues which we consider may be of interest and is correct at the time of going to press. However, clients are advised to contact us specifically for advice before acting, or refraining from acting, in respect of any matter, based on the information contained herein.

Myrus Smith Chartered Accountants is registered to carry out audit work in the UK and Ireland and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales [ICAEW].

