

Income tax self assessment

Standard penalties for filing late

Late return	£100 (or £100 per partner for a partnership)
Plus: 3 months late	£10 per day up to a maximum of £900
Plus: 6 months late	Further penalties calculated on the greater of 5% of tax due or £300

For failure to notify liability or for careless inaccuracies in a return:

Failure not deliberate: up to 30% of tax

Failure deliberate but not concealed: up to 70% of tax

Failure deliberate and concealed: up to 100% of tax

Where the failure or inaccuracy relates to an offshore asset or income these penalties are scaled up by either 50% or 100%.

Standard penalties for paying balancing amount late:

Unpaid by 1 March	5% of the unpaid tax due at that date
6 months late	A further 5% penalty of the tax that remains unpaid at the date
12 months late	A further 5% of the tax that remains unpaid at the date

Other penalties:

Failure to keep and retain tax records: up to £3,000 per year of assessment

False statements to reduce payments on account: up to the shortfall of tax

Failure to produce documents or obstructing an inspection: £300 plus daily penalty of up to £60

The Upper Tribunal may impose a penalty where significant tax is at risk.

Corporation tax self assessment

2017/18

1 day late	£100
3 months late	Another £100
6 months late	HMRC will estimate your corporation tax bill and add a penalty of 10% the unpaid tax
12 months late	Another 10% of any unpaid tax
Late 3 times in a row	The £100 penalties are increased to £500

For failure to notify liability or for inaccuracies in a return:

Failure not deliberate: up to 30% of tax

Failure deliberate but not concealed: up to 70% of tax

Failure deliberate and concealed: up to 100% of tax

PAYE

Form P11D(b) where due PAYE - Real Time Information (RTI)	£100 per 50 employees per month late
- For each late return	
- First return in a year filed late	No penalty, except for annual schemes
	- 1-9: £100
- Thereafter: based on number of employees. For all PAYE schemes.	- 10-49: £200 - 50-249: £300 - 250 or more: £400

Automatic late payment penalties will apply at some point when PAYE is paid late by the employer. Until then, interest is charged on late payments, with a penalty raised on a risk assessed basis. (See table below for rates)

CIS

Monthly return - CIS 300	
Late return	£100
Plus: 2 months late	£200 plus penalties above £300 or 5% of the CIS deductions shown on the return, whichever is the higher. This is as well as the penalties above
Plus: 6 months late	In serious cases you may be asked to pay up to £3,000 or 100% of the CIS deductions shown on the return (whichever is higher). These are as well as the penalties above
Plus: 12 months late	
Maximum penalty for late registration	£3,000
Failure to provide information	£3,000

VAT : default surcharge periods

First return in surcharge period	2% of the VAT payable on the return (see below)
Second return in surcharge period	5%

Third return in surcharge period	10%
Fourth and subsequent return in surcharge period	15%

NOTES

1. VAT default surcharge also applies when the VAT return has been submitted but the VAT remains unpaid. The penalty is calculated at the rate shown applied to the VAT outstanding. Late repayment returns still register as a default, but no penalty is due.
2. Surcharges at 2% and 5% are not levied if the amount of the surcharge does not exceed £400, but the default still registers and increases the potential surcharge for the next default.
3. Where the 10% and 15% surcharges are less than £30, a minimum £30 surcharge is applied.

LATE PAYMENT PENALTIES - PAYE, NIC AND CIS TAX

There is a penalty regime under which late payment of PAYE, NIC and related liabilities during the tax year will attract a penalty. The first late payment in the tax year is not liable to penalties but subsequent late payments attract a penalty base on the total number of late payments in the tax year. These penalties are issued automatically, and notices are sent out quarterly. The regime is currently operated on a risk assessed basis, charging penalties to employers who are regularly late or owe significant sums of money.

Tax is due by 19th of the following month or 22nd if paid electronically. Small employers may use the quarterly payment scheme.

LIMITED COMPANY ACCOUNTS – LATE FILING PENALTIES

Penalties for late filing are as follows:

Length of delay, based on the filing date	Private company	Public company
Not more than 1 month	£150	£750
More than 1 month but not more than 3 months	£375	£1,500
More than 3 months but not more than 6 months	£750	£3,000
More than 6 months	£1,500	£7,500