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MONEY BOX LIVE

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DUGGLEBY: In the next few days thousands of brown envelopes from Her Majesty's Revenue & Customs will be dropping onto the mat with a reminder that the second instalment of last year's tax bill comes up on 31st July. But with incomes largely static and rock bottom interest rates, the question you may need to ask is whether you're paying too much tax? Until you complete your self-assessment return for last year, HMRC can't tell exactly how much you owe. This mainly affects the self-employed and those with interest or investment income outside the PAYE system, and either way it can be painful if you haven't already put the money aside. Equally so if you're on the receiving end of a Revenue demand for tax you didn't expect. What right of appeal is there if the Revenue have got it wrong? Meanwhile tax thresholds remain frozen - notably the nil rate band for inheritance tax - and as the Chancellor searches for new ways to fund the deficit rumours have been circulating about stopping higher rate relief on pension contributions. One disturbing trend is for politicians to refer to tax avoidance (which includes pensions) as if it was illegal, or at the very least morally reprehensible. Tax evasion is a different matter, especially for those with income and assets held abroad. The latest in the firing line are teachers and others doing work on the side, and also those who have been using the internet to buy and sell goods - which amounts to running a business.You can call Money Box Live on this and other problems over filling in your self-assessment return, including buy-to-let property and expenses you can and can't claim. 03700 100 444 is the number to call and with me to provide the answers: Anita Monteith, Tax Manager at the Institute of Chartered Accountants for England and Wales; and Mike Warburton, Tax Director at accountants Grant Thornton. And Eva, you're going to raise the thorny question of underpayment of tax. You've got the first question.

EVA: Well it isn't a question, it's just a statement. November and December 2009, I had a letter saying I had nothing to pay. September 2010, £407.70 was due. On 15th October 2010, it had risen to £734.45. And I've been paying it back, but during all of this I never got the same answer twice from you know the helpline.

DUGGLEBY: Okay, Eva, this is underpayment of tax and you're paying it back by the month, I think?

EVA: Yeah.

DUGGLEBY: And how much have you agreed with the Revenue to pay back?

EVA: £50 a month.

DUGGLEBY: Right, and has this been going through?

EVA: Well *(little laugh)* I've got two figures. First of all I owed £360 …

DUGGLEBY: *(over)* Indeed, you mentioned that.

EVA: … and then the £73...

DUGGLEBY: Right.

EVA: So it appears … One letter states I should finish by June of this year and then the other one states I finish in December. But I also had a very rude letter on 3rd May saying I owed £50, I haven't paid it. But, as I pay by direct debit, I don't know what that's about.

DUGGLEBY: Okay, well it sounds like a right old muddle.

EVA: Oh yeah.

DUGGLEBY: Mike?

WARBURTON: Eva, could I ask you - when you got this demand, which tax year are they saying that you had underpaid tax for?

EVA: Well I think originally it was 2008-2009, and then I think it's gone onto 2009-2010.

WARBURTON: Yeah. It may be … You see there is an extra statutory concession known as A19, which entitles you to appeal against tax even though you know strictly it's tax that's due. If you had reason to believe your tax affairs were in order, which is what you're saying you did believe from that earlier correspondence, and if the Revenue, HMRC have been provided with all the information they should have done - which I assume is the case - then if it's more than 12 months, the concern over more than 12 months ago that they're asking for the tax, then you can apply under this extra statutory concession to have it written off. And I know that last year when we had quite a lot of fuss about PAYE codes, there was oh something like 80,000 or so applications made and about a third of them were approved. Have you made an application?

EVA: No because quite honestly dealing with these people has been a nightmare.

MONTEITH: Eva, can I ask you - first of all, did you check the figures when you first received the P800 form?

EVA: Well I must admit when I see a percentage figure, my eyes glaze over. And they did say it was up to me to check it, but you know.

MONTEITH: Yes, I think it's very important that you do check the figures. It sounds to me like the first one you got was because they'd only done your 2008-2009 calculation. Then they added to it the 2009-2010, which would make sense because they're doing the years chronologically.

EVA: Yes, but I had queried the first year. In fact I've queried it all along and I've just had …

MONTEITH: Right.

DUGGLEBY: Yeah but querying is not a formal appeal, is it?

EVA: Oh no. No, no.

MONTEITH: No, it isn't.

EVA: No, I thought they knew what they were talking about.

MONTEITH: But it does sound as though they have some fact about your income that disagrees with what's being factored in through PAYE. We also know that the Revenue are about to do the 2010-2011 reconciliation, so I think it's very important that you go back and actually persevere. Check the figures line by line to make sure it agrees with your P60 and so on.

DUGGLEBY: I can appreciate, Eva, it's going to be difficult for you because obviously you can't necessarily challenge your Revenue assessment unless you can produce solid grounds for doing so.

MONTEITH: But she is likely to get another one, which will probably say that she's got an underpayment, and you'll receive that later this year - September/October time, I would imagine.

DUGGLEBY: So what's the best advice then - contact the Revenue and just say …?

MONTEITH: Ring the helpline, yes.

DUGGLEBY: She's done that and not getting much help from it.

MONTEITH: Well the other thing you can do is take it along to one of … Citizens Advice …

DUGGLEBY: *(over)* Advice Bureau, yeah.

MONTEITH: *(over)* … Bureau, yeah. Or if she wants me to have a look at it, speaks to me after the programme, I can have a look.

DUGGLEBY: Christine has emailed us with a similar sort of problem and she's saying that her husband's been clobbered for an underpayment of £500, which he can ill afford. Mike, it's been put on his PAYE tax code, so there's nothing they can do about it. They're appealing, but the Inland Revenue just haven't responded. This is referring to tax year 2007/2008, so …

WARBURTON: Well it's again the same thing. If he had reason to believe that his tax affairs were in order and the Revenue have been given all the information they should have been, then he has the opportunity to make an application under this concession, A19. It's only a concession, the Revenue don't have to give it, but this is the sort of circumstance where they may well consider giving it.

DUGGLEBY: She's saying are they just allowed to take money through the tax code just because they've decided to do it?

MONTEITH: Yes, they are actually required to. Since 2004 it's been in legislation that they should try to collect that tax through your PAYE.

DUGGLEBY: And then you must appeal …

MONTEITH: *(over)* And the other thing to remember is that PAYE is only a way of estimating how much tax you are liable to pay on your employment income each year. It's not like self-assessment, which is a very accurate and exact way of working out how much tax you owe.

DUGGLEBY: Indeed. I mean here's another email coming in from Lynne and she says, 'I'm trying to do my self-assessment return for 2010-11 and in March I received a revised PAYE coding including an adjustment for underpaid tax in the prior tax. I don't understand the underpayment, I don't know what it's for. I've tried calling the tax office. I can't get through. What can I do?'

WARBURTON: Well certainly the tax office should provide information on how that underpayment's arisen. I'm not sure why she's not been able to get through. They're obliged to explain what it is that they're collecting.

DUGGLEBY: Clearly though a lot of kind of concern. They feel helpless I think people …

MONTEITH: *(over)* If it's just employment income that you've got that's taxable, it's worth asking your employer for help because very often the person who's running the payroll will actually understand the figures and the way they're laid out.

DUGGLEBY: I think some of these people are pensioners, you see. That's the problem.

MONTEITH: Well there's Tax Help for Older People, Tax Aid.

DUGGLEBY: The tax PAYE of course system applies to pensioners.

MONTEITH: It does, yes.

WARBURTON: Unfortunately, as I've often said, that pensioners often have much more complicated tax affairs in retirement than they had when they were working because of the different sources of income that they have.

DUGGLEBY: Right. Okay we must move onto a new subject and that's Jason calling us from Manchester.

JASON: Yeah, good afternoon. I have a relation who's involved in or has just got himself certificated with regard to this feed-in tariff that the government have started up. Now this is a new enterprise and he's having great difficulty getting the necessary capital to start doing the installations for any and all customers.

DUGGLEBY: Oh he's starting up a business installing these energy efficient solar panels and things?

JASON: That's right, PV modules yes.

DUGGLEBY: Okay, right, so he's starting his new business, yeah.

JASON: And he's asked me whether I wanted to come in. Now there's several things involved. At the moment I pay 40% tax under the PAYE system. Is there any tax benefits of involving… *(hesitates)*

DUGGLEBY: If I get you right, Jason, you're being invited to invest money in a business by a friend of yours. Is that right?

JASON: Yes, basically.

DUGGLEBY: So we'll distinguish between the man who's starting up the business, it's his business; and you're the investor and you're not going to actually work in this business? You're just …

JASON: Oh no, no, no.

DUGGLEBY: Okay, right.

JASON: He's the electrical engineer. I'm in pharmaceuticals.

DUGGLEBY: Mike Warburton?

WARBURTON: Jason, if I could ask you - when you talk about a business, is it a partnership or is this a limited company?

JASON: This would be a limited company with shareholders, etcetera.

WARBURTON: I see. So you would be acquiring shares in the limited company?

JASON: That's correct, yeah.

WARBURTON: And what sort of percentage is he suggesting you should acquire?

JASON: Well I believe the payback could be up to 8%, 9%. But the thing is they're sold as tax free, you know the actual payments are actually tax free from the power companies.

WARBURTON: It does seem to me that if you're buying shares in a company which is a trading company on the face of it, you should be able to claim what's called Enterprise Investment Scheme Relief. And that will give you income tax relief on the investment you make and it will also give you (if you satisfy the qualifying conditions) a capital gains exemption. If it all goes well, hopefully you then sell, you would avoid capital gains tax. They're very complicated qualifying conditions, but from what you've described, I don't see any reason why you shouldn't qualify.

DUGGLEBY: I think we should not … We're going to get … the waters are only going to be muddied by the fact that the business is running a system which actually is tax efficient to those who use it. I mean this is the problem here. This is an investor. It’s not somebody who’s going to be making money by selling electricity back to the grid or anything. The company’s going to make it.

MONTEITH: *(over)* Yes, I think you should … I’m very fond of saying take professional advice.

DUGGLEBY: Yes, I think so.

MONTEITH: There’s going to be a difference in the relief you get if you invest as a shareholder and the relief you’ll get if you make a loan to the business, and I think you need to consider your own circumstances and what you want to get out of the business in the long-run. After all the exit strategy that you have in mind should dictate how you go in unless you want to invest in this business and stay there forever and ever.

DUGGLEBY: I can’t imagine this business can be set up without an accountant’s help, to be honest with you, Jason. I mean you can’t just go to a friend and start capitalising a company on this sort of basis. You’ve got to say to your friend, “Look, who’s your accountant? I need to look at the figures, I need to look at the projections, I need to look at what the profit potential is. Then we’ll discuss the actual structure by which I might invest in it.” But this is not a DIY job.

WARBURTON: No. But having said that, the Enterprise Investment Scheme is put there for the purpose.

DUGGLEBY: Sure.

WARBURTON: This is a trading company.

DUGGLEBY: Yeah, but a good accountant should be able to tell you that.

WARBURTON: Be aware because the company has to make an application and you, Jason, would also make an application. But the tax relief's are valuable and it's certainly well worth considering.

DUGGLEBY: Right, let's take a nice easy question, panel. This one's an email from Roger in Ipswich. And he says, 'The shares I hold in an ISA. I know they're not subject to capital gains tax on profits, but if there's a loss can you claim it?' Answer?

MONTEITH: No. *(laughs)*

WARBURTON: Sadly not. It's one of the catches.

DUGGLEBY: Now let's move onto Kate in Burley in Ringwood. Kate?

KATE: Good afternoon. Yes I just wondered whether there was anything at all I could possibly do. My mother is currently 88 years old. She still lives in what really has been the sort of family home, which has obviously gone up enormously over the last 50 years, so one day I'm going to be faced with an enormous inheritance tax bill because nothing's been put in place. She also has quite a you know reasonable portfolio of stocks and shares. I just wondered … I know there is this 7 year rule about transferring certain sort of you know lump sums of money and everything and I just wondered if there's anything still that could be done regarding the house.

DUGGLEBY: Potentially exempt transfers. Yeah can you give us an idea of the size of the estate in total? I mean you've told us that it's about £750,000 or £850,000.

KATE: Yes, I suppose maybe about a million and a half.

DUGGLEBY: On top of the house?

KATE: No, in total.

DUGGLEBY: In total, okay right. And your father died, I think?

KATE: He died quite a while ago and his amount was used up, yeah.

DUGGLEBY: His estate, did it pass to your mother or to one of you?

KATE: It passed to my mother, but the exemption was utilised at the time.

MONTEITH: So he'd get £325,000 or whatever it was then?

KATE: Yes. Well it was less then, but yes.

WARBURTON: I mean the point is … yes and this is, I have to say, a problem that a lot of people are facing at the moment because the normal inheritance tax threshold, as you know, is £325,000.

KATE: That's right.

WARBURTON: But often … If your father had left everything to your mother, then you would have two lots - you'd have £650,000 - but you're saying that your father utilised his exemption when he died.

KATE: Yes.

WARBURTON: So you do have this big problem. I mean my advice in a situation like this is don't try and be too clever with the house. I know that house is still well over the inheritance tax nil rate band, but I'm personally very cautious about doing something clever with the house because that's the roof over your mother's head and it's very important to her.

KATE: Absolutely.

WARBURTON: I think there's a lot more scope with the other portfolio because on the face of it there's a lot of value there and there is the opportunity to make lifetime gifts; and, as you say, 7 years after you've made the gift, you get the advantage. Any gift over £325,000, you start to get a benefit after 3 years. So lifetime giving's important. And also possibly gifts out of income if your mother's got surplus income.

DUGGLEBY: *(over)* You could, Anita, set up a trust, couldn't you, for the benefit of perhaps grandchildren or something if you can afford to divest yourself of some of your share portfolio, but whether that's a good idea or not will depend on what money you need for yourself.

KATE: And with regard to the stocks and shares portfolio, would there be any advantage in putting it in joint names or is that not sort of seen as …

DUGGLEBY: Joint names of who?

MONTEITH: So giving some away now you mean, Kate?

KATE: Yes, so they're shared between my mother and myself. Or is that not really seen as …

MONTEITH: Well one possibility is to start giving away, as Mike said, some of the capital that isn't tied up in the house.

DUGGLEBY: *(over)* But the problem …

MONTEITH: And you said she's 88. And I don't know how long she'll live, but once you're 3 years clear of the gift then the amount of inheritance tax you have to pay begins to go down.

DUGGLEBY: But the problem Anita, surely, is that you've got to give away the £325,000 first because that's free of tax anyway? If the mother gives away £325,000 or shares it, it has no effect at all.

WARBURTON: It’s only the excess that you benefit from.

MONTEITH: But she’s got 700,000 or 800,000 pounds worth …

DUGGLEBY: *(over)* Oh yes, but the £325,000 given away now does not actually …

WARBURTON: *(over)* The discount - this is the point and it’s often missed here - the discount that you get after 3 years is on the tax, not on the gift, and therefore unless you’ve given away more than £325,000, you don’t start to benefit. The thing to worry about Kate, it seems to me, is that if your mother’s had these investments for a while, they probably would have gone up a lot in value. Is that the case? I mean are these shares and things?

KATE: Yes, yes.

DUGGLEBY: Well you’ve got capital gains tax to worry about.

WARBURTON: You’ve got capital gains. So if you make a gift - even though you’re not getting any consideration, you’re making a gift.

KATE: And putting them in joint names is making a gift.

WARBURTON: That would be a partial gift and there would then be a capital gains problem. So it’s a tricky one because you’ve got two taxes to worry about - inheritance tax and capital gains tax - and you could do something to save inheritance tax, albeit at a 40% rate in the future, but you could trigger a capital gains liability on your mother now.

KATE: Right.

WARBURTON: And remember that capital gains isn't charged on death, so you are actually paying one tax against another.

MONTEITH: As Mike said, try not to be too clever with it *(Kate laughs)* in a sort of DIY arrangement because there's something called a preowned assets tax charge. So if you think you can just give something away and she can carry on using it, then I'm afraid you would be wrong and you would end up with an income tax charge.

DUGGLEBY: I'll stick in the usual thing that is always considered and that's the best wills are made after your death because actually you can do a thing called a deed of family arrangement and when you die you can look at the assets. And as long as you (if you're the main beneficiary) decide you don't want the money, then of course it can be passed to somebody else.

WARBURTON: Exactly what I did with my parents' estate.

MONTEITH: Something else to consider that will be coming in from next year is making substantial gifts to charity. If you give at least 10% of your estate to a charity, they're going to give you a reduction in the amount of IHT you pay on the rest of your estate.

DUGGLEBY: Indeed. We've got another inheritance tax question here and this is about a property where it has a garden of about an acre, Mike, and the property's currently worth £180,000 as is with the field next door or whatever it is. Now they've been told informally that this is potential building land, which could have 10 houses on it.

WARBURTON: The field next door, is this part of the house? Is it used as part of the house?

DUGGLEBY: *(over)* Well I think it is. Yes it is, it's the garden.

WARBURTON: Right, it's the garden of the house.

DUGGLEBY: The point is, well the question is whether you go for planning permission before the lady who owns this property who's also in her eighties, or whether you wait until after she's died and then go … Do the Revenue kind of put potential value on things?

WARBURTON: Yes, it's a market value. So I mean if you're talking about a position at death, admittedly if you've applied for planning permission and got it, then that's cemented the value. But the hope value, the thought that a willing buyer with information available will know that there's hope that you would get planning permission, that will have already affected the value. Even so, I think in a situation like this, given that capital gains tax rates vary between 18% and 28% and inheritance tax is at 40%, my argument on the whole would be it's better to get the uplift after death.

DUGGLEBY: Don't apply before then.

WARBURTON: I would apply after death. Yes, I've had that many times.

DUGGLEBY: Because in this case clearly we don't know exactly what it's going to be worth, Anita. But the Revenue aren't stupid.

MONTEITH: No.

DUGGLEBY: They're going to say they will want a valuation, and when the valuer comes along he's going to look at the garden and say, "Uhuh, building plot. I can't value this at 180, I'm afraid."

MONTEITH: Yes, yes.

DUGGLEBY: So what you hope he'll do is say value it at 350 and nobody will ask any questions.

MONTEITH: Well obviously. But, as Mike said, just make sure that you haven't gone and set a paper chase, a paper trail in place already.

WARBURTON: And I think, Anita, there's been an announcement recently by HMRC that they are looking at this particularly carefully. They believe there's a tax leakage. They've added up the numbers and they've worked out that the average wealth of people is somewhat bigger than people's wealth when they die and something's happened, what happens to it? And I suspect that when the executors come round to the house and they see a clean patch on the wall where the old Master used to hang, they get suspicious. But the executors don't necessarily know. It's very difficult for an executor to know what the assets are worth.

MONTEITH: And they do have whole departments devoted to handling these things.

WARBURTON: The Revenue are very hot on this.

DUGGLEBY: Talking of old Masters, I'm sure David Roberts, who's our next caller - he's an artist and, David, I don't think you've sold any pictures, let alone old Masters.

DAVID: No, I haven't. It's a part-time hobby. I'm retired and I do have enough income quite happily not to pay tax … sorry not to need to sell any, but I've been trying to - I've been exhibiting and so on.

DUGGLEBY: Right. So what's your question then?

DAVID: Yes, I've got a cost of materials for 2010-2011 - this is paints and the like - of £319, which doesn't seem to have been taken into account on the tax calculation.

DUGGLEBY: Okay, so you've submitted your tax return. You said you're self-employed. You've made a loss because that's what it is …

DAVID: Yeah.

DUGGLEBY: … and the Revenue haven't taken any notice?

DAVID: No.

DUGGLEBY: Okay, well is that what you'd expect, Anita?

MONTEITH: Have you actually filled in a self-assessment tax form, David?

DAVID: Yes, short form.

MONTEITH: And when did you say you started business?

DAVID: At the beginning of the last tax year.

MONTEITH: Right. And what steps have you taken so far to try and establish any form of relief for that loss?

DAVID: Well I filled in the short form.

MONTEITH: Right. You just put in expenses …

DAVID: And put in the expenses.

MONTEITH: … £300. And nothing down for income.

DUGGLEBY: *(over)* Zero profit.

MONTEITH: Okay, well what will be happening then is that that loss will be carried forward and will be set automatically against your income when you do make a sale.

DAVID: Ah!

MONTEITH: So if in the current year you make a profit overall of £1,000, then you'll only be taxed on £700. But what you can do is actually actively take steps to make a claim to have the £319 loss relief set against your other income. I would recommend calling up the tax office and telling them that that's what you want to do.

DUGGLEBY: Do you have to opt to do that?

WARBURTON: I think the key thing here, David, is you mentioned when you introduced this that you started as a hobby and in the light of the tax authorities there's a difference between a hobby and a business. Now a hobby can start off as a hobby and become a business and I think …

DAVID: Yeah well that's what happened because I sold some pictures the year before.

MONTEITH: *(over)* It's actually started.

WARBURTON: It seems to me that you start a business when you start to do paintings with a view to selling them and making a profit out of it. So if you started that last year, then I agree with Anita - you started a business, you've made a loss and therefore I agree with Anita - you should make the loss claim.

MONTEITH: Did you make a profit last year, David?

DAVID: Yes.

MONTEITH: Okay, so …

WARBURTON: He's got other income …

MONTEITH: You've got other income. You've got a pension as well presumably on which you're paying tax.

DAVID: Yeah.

MONTEITH: Then definitely I would claim to carry it back.

WARBURTON: Yes. We're all agreed: you should make a claim.

DUGGLEBY: Alright, thank you for that call. And Paul in St. Austell wants to know how much tax he can write off against a car - he's self-employed - which he bought last year. He uses it for a combination of business and pleasure. Is there any rule of thumb?

MONTEITH: It will depend on the proportion. If he uses it half and half, then he can claim tax relief for half the costs.

DUGGLEBY: Or alternatively you just claim 40p or 45p a month.

WARBURTON: Well you can claim your mileage, the business mileage. You can claim the standard AA mileage rates recorded.

DUGGLEBY: Which has gone up of course in the last …

WARBURTON: It's gone up. But I agree with Anita - you've got to actually establish … If you're claiming for capital allowances on the car, then it depends what is the business and private proportion and that's the normal rule we have to follow.

DUGGLEBY: Rosalyn in Lyme Regis, your call.

ROSALYN: Hi there. Yeah we've got a house in Lyme Regis, which we've divided into two apartments, and we live in one and we let the other as a self-catering holiday apartment. And we also have two other units which are attached to the house in the garden, which are self-catering holiday units - set up one in 2003, one in 2004 and the house in 2008. Now if we want to sell, what sort of liability are we liable for?

DUGGLEBY: So you're living in part of the property already?

ROSALYN: Yeah.

WARBURTON: Key question if I may, Rosalyn. Have you lived in the whole of the property at some stage as your main home?

ROSALYN: Very briefly. We bought it at the end of 2001, but it wasn't running as a business then.

WARBURTON: No, but before it was running as a business, when you first bought the property, it would be very helpful to your position if you, even for a relatively short period of time, occupied the whole of the property as your home - I mean if that is the fact, it's dependent on the facts. But if that's what happened as a matter of fact, then there's a very helpful rule which is that any property which has at some stage been your principal residence - and that includes the bit that you're now using as a business - on a disposal, the last 3 years will always be treated as exempt. And this is done on a time apportioned basis, so you don't have to value the property at the time you converted it to a business 3 years ago or anything. So if you own a property say for 10 years and you lived in it for a year and then it's sold after 10 years, then you get the last 3 years plus the first year - so 40% of that gain would actually be exempt. So very important if you've got evidence that you lived in the property.

ROSALYN: Oh yes, we have. Alright well that was one part of the question. Can I ask another?

DUGGLEBY: No, I think we'll have to … We've got a lot of calls coming in. Anita, one other quick point.

MONTEITH: I just wanted to say were you being taxed as a business or as a furnished holiday letting?

ROSALYN: No, as a business.

MONTEITH: Then anything that's taxable as a business, you may be able to get rollover relief for for that proportion of the gain.

DUGGLEBY: I have to use the cop-out. I think I'd go and just consult a local accountant if you want to sort of go into this in more detail.

WARBURTON: It's an interesting question, isn't it?

DUGGLEBY: It is an interesting question indeed.

WARBURTON: Lots of scope for taxation.

DUGGLEBY: I just want to bring in Victoria from Sussex because she says if I sell a second property and incur a capital gains tax liability, what forms do I have to fill in? I used to live in it until 3 years ago. Does that mean she doesn't actually have to pay any tax?

WARBURTON: Well I think that's right. Again because you've got the last 3 years exemption - if it was 3 years ago you moved out of it, then there's no reason why there should be any capital gains to pay. I mean what I would do, if you complete a self-assessment tax return, I'd fill in the white space and say what's happened, but on the face of it …

DUGGLEBY: *(over)* If you can honestly say you've lived in it until 3 years ago, you actually haven't got a liability?

MONTEITH: Then you haven't got anything. You've got no liability.

DUGGLEBY: Yeah, but you've got to be a bit careful on this.

MONTEITH: You have, yes.

DUGGLEBY: You know it might be 6 months. You know we don't know what 3 years …

WARBURTON: *(over)* You need to have the evidence. Of course this is what some of the MPs used to do, isn't it, I think?

MONTEITH: Otherwise you run the risk of a large lump of money coming into your account. Where has it come from?

DUGGLEBY: Indeed. Right James in Bath, if you've got 20 seconds to put your question, we'll answer it.

JAMES: No worries, I'll be quick then. I've got a company car that's under a car ownership scheme, so I don't pay any company car tax. But I've got a fuel card which I use to purchase business fuel on and also additionally private miles, but the private miles I pay back. Do I need to put that under expenses under my self-assessment.

WARBURTON: I think what you should be claiming … I mean basically you're paying this on the face … Sorry, the company's paying it?

MONTEITH: The company is paying.

WARBURTON: If it's a company fuel card, then on the face …

MONTEITH: So no.

WARBURTON: Yeah, I think that's right. *(Monteith laughs)*

JAMES: No.

MONTEITH: No.

JAMES: Right, thank you.

DUGGLEBY: That's a fairly sweep …

WARBURTON: You wanted a quick one.

DUGGLEBY: We've got another quick one here. This is Michael who's emailed us from Seaford. And he says, 'The deadlines for submitting forms to the Inland Revenue. What is the precise date when they're supposed to have received it if I put it into the post or hand it into an office?' Now I take it here of course he's wary that if he gets it one day late, he gets a fine.

WARBURTON: He gets a penalty, yes. And the normal rule is, say for the 31st January, they need to have it by 1st February. But what you can do is if you put it in by hand before they open the postbox on …

MONTEITH: Yeah, be careful. 31st October is a Monday - so if you post it on the Monday this year, it will be late when it arrives in the post on Tuesday. Don't post it. Sneak in and put it through the letterbox before they open the post on Tuesday.

WARBURTON: And when do we assume they open the post? 7.30? *(laughter)* Get up early.

DUGGLEBY: And remember of course that nowadays if you miss the deadline, even if you owe no tax, from next year …

WARBURTON: *(over)* You'll still get the £100 penalty.

DUGGLEBY: …you'll still get the penalty; whereas previously if you owed no tax, no penalty.

WARBURTON: That's correct.

MONTEITH: Be careful, not all Revenue offices have post offices … post boxes, letter boxes. Ooh! *(laughs)*

DUGGLEBY: Just get it in a week or two ahead if you can possibly do that or do it online. We've run out of time for the calls. Thanks for all of them. And thanks to Anita Monteith from the Institute of Chartered Accountants for England and Wales; Mike Warburton, as always, from Grant Thornton. More information on our website: bbc.co.uk/moneybox. Paul Lewis will be here with the next programme at noon on Saturday. I'll be back same time next Wednesday afternoon with Money Box Live taking your calls on mortgages.