

## Introduction

There are five main types of tax that are relevant to businesses: income tax, corporation tax, National Insurance, VAT and capital gains tax. Tax returns must be submitted to HM Revenue & Customs (HMRC) and payments must be made by certain dates to avoid penalties for late submissions and interest on late payment of any tax due. HMRC's tax year runs from 6 April to 5 April the following year.

This factsheet lists the key tax dates in 2022 as they apply to the different tax liabilities of a business. It also provides information about the penalties for non-compliance with the deadlines. Taxation is a complicated area and professional advice should be sought to ensure that all tax obligations are met.

## Income tax (self-assessment)

Anyone who is self-employed or in a partnership is required to complete a self-assessment tax return each year to determine how much income tax and National Insurance (see later section of this factsheet) they must pay.

Self-assessment tax returns must also be completed by company directors and individuals with complicated tax affairs to enable HMRC to assess whether any additional tax is owed.

For further information, see BIF264 An Introduction to Tax Self-Assessment and BIF517 Completing a Self-assessment Tax Return or go to [www.gov.uk/topic/personal-tax/self-assessment](https://www.gov.uk/topic/personal-tax/self-assessment).

### 31 January 2022

- This is the deadline for submitting an online tax return to HMRC for the tax year that ended on 5 April 2021.
- The balancing income tax payment for the year ended 5 April 2021 must be paid by this date.
- In addition, anyone with an income tax liability of more than £1,000 is required to make the first of two 'payments on account' for the current tax year to HMRC by this date. The total amount paid on account should correspond with the expected final liability for the year ending 5 April 2022. If the tax liability is likely to be significantly less than expected, HMRC should be notified and a claim should be made to reduce the payment due on account.
- This is the deadline for amending a 2019/20 tax return.

## **28 February 2022**

Anyone who was not able to submit their completed tax return by 31 January 2022 must submit it online by 28 February 2022 in order to avoid an automatic penalty of £100. This penalty applies even if they have no tax to pay. For a partnership tax return, there is a £100 penalty for each partner.

## **1 April 2022**

HMRC will charge a late payment penalty if the payments that were due on 31 January 2022 have not been made in full by 1 April 2022, unless a Time to Pay arrangement has been set up by this date.

## **6 April 2022**

This is the first day of the new tax year (2022/23). HMRC sends notices to complete a 2021/22 tax return before the end of May.

## **30 April 2022**

Returns for the tax year that ended on 5 April 2021 submitted after 30 April 2022 will incur an additional penalty of £10 per day up to a maximum of 90 days (£900).

## **31 July 2022**

- Anyone who has still not sent HMRC a self-assessment tax return by 31 July that was due on 31 January 2022 will be charged a further penalty of £300 or 5% of the tax due, whichever is the highest.
- A second automatic 5% penalty will be charged if someone failed to provide the balancing payment in the first tax instalment that was due on 31 January 2022.
- The second payment on account of a tax liability for the year 2021/22 is due by this date. Check that it corresponds with the expected final liability for the year ending 5 April 2022.

## **5 October 2022**

A business must register for self-assessment by 5 October in its second tax year.

If HMRC has not sent a notice to complete a tax return by 5 October 2022, HMRC must be notified about any income received that has not been taxed, or any capital gains tax liabilities in the year ending 5 April 2022. HMRC will then send a tax self-assessment form if it considers it necessary, or if further details are required.

## **31 October 2022**

Paper-based self-assessment returns for 2021/22 must be submitted by this date. If they are not, an online return must be submitted by 31 January 2023 to avoid an automatic penalty of £100.

Submitting a paper return enables HMRC to calculate any tax that is payable and collect any outstanding amounts of less than £3,000 via Pay As You Earn (PAYE) tax codes in order to spread the payments over a year.

## **30 December 2022**

If a 2021/22 self-assessment tax return is not submitted by the deadline for paper returns, unpaid tax under £3,000 can still be collected via PAYE tax codes if an online return is submitted by 30 December 2022.

## **PAYE and National Insurance for employers and employees**

Company directors and employers must deal with PAYE and National Insurance contributions (NICs) at source under the PAYE scheme. Income tax and NICs need to be deducted from employees, and employers are also liable to pay employers' NICs.

All employers must report PAYE information using HMRC's PAYE Online system. Information about PAYE payments made to employees has to be reported online to HMRC every time salary payments are made. See BIF053 Setting up and Running a Payroll System and BIF458 Pay As You Earn (PAYE) or go to [www.gov.uk/topic/business-tax/payee](https://www.gov.uk/topic/business-tax/payee) for further information on PAYE and payroll.

Income tax and Class 1 NICs (both employer and employee) must reach HMRC by the 22nd of each month. Payments by post must be made by the 19th of each month.

If the combined bill for PAYE and NICs is less than £1,500 per month, employers can make payments quarterly. In this case, the deadlines are 22 July, 22 October, 22 January and 22 April for electronic payments; and 19 July, 19 October, 19 January and 19 April for payments made by post.

Class 1A NICs, which relate to taxable expenses and benefits paid to company directors and some employees, are generally calculated at the end of the tax year and paid directly to HMRC.

## **31 May 2022**

This is the last date for providing each employee who was working for the business on 5 April 2021 with their form P60 (showing how much employees have been paid and how much tax and National Insurance has been deducted).

## **5 July 2022**

This is the deadline for arranging any PAYE Settlement Agreements for 2021/22, if applicable.

## **6 July 2022**

- This is the last date for submitting a form P11D to HMRC for each employee who has received expenses or benefits. Copies of it must also be issued to relevant employees by this date.
- It is also the last date for the return of form P11D(b) (employer's declaration) relating to Class 1A NICs.

## **National Insurance for self-employed individuals**

- Class 2 NICs, which are paid by self-employed individuals whose profits are above the small earnings exception limit, are calculated at a flat rate per week. They are usually paid

through the self-assessment system at the same time as income tax. Go to [www.gov.uk/self-employed-national-insurance-rates](http://www.gov.uk/self-employed-national-insurance-rates) for further information.

- Class 4 NICs are paid by self-employed people in addition to Class 2 NICs if their profits exceed certain limits and are paid with income tax each year on 31 January. Self-employed people who must make income tax payments on account by 31 July must also make Class 4 NIC payments on account at the same time.

## VAT

VAT (Value Added Tax) is a tax on consumer spending that applies to the value added to a product or service at each stage of its production and distribution. The current standard rate of VAT is 20%. Each VAT-registered business must complete regular VAT returns, usually every three months, and pay any money due.

To spread the flow of returns evenly over the year, anyone who registers a business for VAT must choose between three VAT accounting periods, as follows:

- VAT periods ending on 30 June, 30 September, 31 December and 31 March.
- VAT periods ending on 31 July, 31 October, 31 January and 30 April.
- VAT periods ending on 31 August, 30 November, 28 February and 31 May.

A business can apply to change its VAT period by logging on to its VAT online account.

VAT payments must reach HMRC no later than the due date for payment shown on the VAT return, which is normally one calendar month and seven days after the date of the end of the VAT period. Deadlines are usually different for businesses using the VAT annual accounting scheme and those that have to make payments on account.

See BIF234 An Introduction to VAT (Value Added Tax) and go to [www.gov.uk/topic/business-tax/vat](http://www.gov.uk/topic/business-tax/vat) for further information.

## Corporation tax

Corporation tax is levied on the profits of incorporated bodies such as private limited companies and public limited companies. A completed corporation tax return (CT600) is due 12 months after a company's annual accounting date, ie the end of its trading year, or three months from receiving notice from HMRC, whichever is later. In practice, most businesses complete the return to coincide with making the tax payment.

The time limits for tax payments are based on the last day of the company's corporation tax accounting year, which is the end of its trading year:

- For companies with taxable profits of up to £1.5 million, corporation tax must be paid within nine months and one day from the end of their accounting period. So, for example, if a company's accounting year ends on 31 December, the tax must be paid by the following 1 October.
- If a company has taxable profits of more than £1.5 million, it must pay tax electronically by instalments. Go to [www.gov.uk/guidance/corporation-tax-paying-in-instalments](http://www.gov.uk/guidance/corporation-tax-paying-in-instalments) for further information.

For further information, see BIF252 Corporation Tax and BIF518 Calculating and Paying Corporation Tax.

## Capital gains tax

If a capital gain has been made on the disposal of assets during the tax year ending 5 April 2021, it must be reported and paid by 31 January 2022, either in a self-assessment tax return (which should have been requested before 5 October 2021 if it was not sent automatically) or by using the 'real time' Capital Gains Tax service (which enables gains to be reported as soon as they are made).

Go to [www.gov.uk/topic/personal-tax/capital-gains-tax](https://www.gov.uk/topic/personal-tax/capital-gains-tax) for further information.

## Other claims

Claims for tax relief that have an impact on any tax liability should generally be made in the relevant return. For instance, business losses can be offset against other income by making a claim for tax relief up to two years later, so claims relating to losses for the 2019/20 tax year must be made by 31 January 2022. Some personal allowances or error claims can be made up to four years after the tax year to which they relate.

Claims for repayment of income tax, capital gains tax, corporation tax and VAT must be made within four years of the tax year to which they relate.

Go to [www.gov.uk/government/publications/losses-hs227-self-assessment-helpsheet](https://www.gov.uk/government/publications/losses-hs227-self-assessment-helpsheet) for more information.

## Further information

BIF015 An Introduction to Tax, National Insurance and VAT

BIF045 VAT Returns and Payments

BIF053 Setting up and Running a Payroll System

BIF234 An Introduction to VAT (Value Added Tax)

BIF239 National Insurance for the Self-Employed

BIF252 Corporation Tax

BIF264 An Introduction to Tax Self-Assessment

BIF458 Pay As You Earn (PAYE)

BIF517 Completing a Self-assessment Tax Return

BIF518 Calculating and Paying Corporation Tax

## Useful contacts

HM Revenue & Customs (HMRC) is responsible for the collection of taxes in the UK. It publishes guidance on self-assessment, income tax, National Insurance contributions, VAT, PAYE, corporation tax and capital gains tax.

[www.gov.uk/government/organisations/hm-revenue-customs](https://www.gov.uk/government/organisations/hm-revenue-customs)

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