



BUSINESS IMPROVEMENT DISTRICT

## **COVID - 19 - VAT & Income Tax Business Update 26th March 2020**

### **Support for businesses through deferring VAT and Income Tax payments**

Businesses will be able to defer Valued Added Tax (VAT) payments for 3 months. Income Tax payments due in July 2020 under the Self-Assessment system may be deferred until January 2021.

**VAT** - For VAT, the deferral will apply from 20 March 2020 until 30 June 2020.

#### **Eligibility**

All UK businesses are eligible.

#### **How to access the scheme**

This is an automatic offer with no applications required. Businesses will not need to make a VAT payment during this period. Taxpayers will be given until the end of the 2020 to 2021 tax year to pay any liabilities that have accumulated during the deferral period. VAT refunds and reclaims will be paid by the government as normal.

Customers who normally pay by direct debit should cancel their direct debit with their bank if they are unable to pay. Please do so in sufficient time so that HMRC do not attempt to automatically collect on receipt of your VAT return.

#### **Income Tax**

For Income Tax Self-Assessment, payments due on the 31 July 2020 may be deferred until 31 January 2021.

#### **Eligibility**

You are eligible if you are due to pay your second self-assessment [payment on account](#) on 31 July. You do not need to be self-employed to be eligible for the deferment. The deferment is optional. If you are still able to pay your second payment on account on 31 July you should do so.

#### **How to access the scheme**

This is an automatic offer with no applications required. No penalties or interest for late payment will be charged if you defer payment until January 2021. HMRC have also scaled up their [Time to Pay offer](#) to all firms and individuals who are in temporary financial distress as a result of COVID-19 and have outstanding tax liabilities.