

MORE THAN ONE BUSINESS

This Help Sheet gives you information to help you fill in:

- the Self-employment Pages, or the Partnership Pages, of your personal Tax Return, or
- the Partnership Tax Return

if either you, or the partnership, carries on more than one business.

—Sole traders

You must send in a completed set of Self-employment Pages for each business you are involved in. You may also need to complete a set for each account that relates wholly or in part to your basis period for 1997-98. Read the Notes on Self-employment.

—Partners

If you carried on business in partnership you should complete the Partnership Pages of your Tax Return instead of the Self-employment Pages. Fill in a separate set of these Pages:

- for each partnership of which you were a member, **and**
- for each business the partnership carried on

—Partnerships

A separate set of Partnership Trading Pages should be completed for each business that the partnership carried on. You may also need to complete a set for each account that relates wholly or in part to the Return period for 1997-98. Read the notes in the Partnership Tax Return Guide.

CALCULATING CLASS 4 NATIONAL INSURANCE CONTRIBUTIONS DUE (IF YOU HAVE MORE THAN ONE BUSINESS)

There are special rules for dealing with Class 4 National Insurance Contributions (Class 4 NICs) if you have more than one business. These will also change the way you complete the Self-employment or Partnership Pages.

Use the Working Sheet overleaf if you had profits from more than one business (including partnership businesses) during 1997-98.

There is no need to complete the Working Sheet if you are exempted from paying Class 4 NICs on all of your business profits, or if the Contributions Agency has agreed that your Class 4 NICs may be deferred. Instead:

- tick box 3.89 (or box 4.23 of the Partnership Pages)
- enter '0' in boxes 3.90 and 3.91 (or boxes 4.24 and 4.25 of the Partnership Pages)
- explain in the 'Additional information' box that you are exempted or deferred, and give the reason.

How to fill in the Working Sheet

Complete one column in Section 1 for each business you carried on during 1997-98 (whether on your own or in partnership). Identify the business to which the details in each column relate.

If you carried on more than three businesses, use another Working Sheet or photocopy this one. Bring together all figures in boxes J to L into one Working Sheet (in Section 2 box M).

You normally pay Class 4 NICs on your total taxable profits for 1997-98. However, you may be able to make adjustments for any interest, annual payments or losses (but not losses arising from furnished holiday lettings) that fall within the following rules:

- **trading losses** that are allowable for tax are also treated as losses arising for the purposes of Class 4 NICs. They may be allowed for Class 4 NICs in the same way as losses are allowed for tax - explained in *Help Sheet IR227: Losses*.
- **interest** can be deducted in calculating Class 4 profits if it is incurred for the purposes of your business, but was not deducted in arriving at your taxable profits.

boxes D, E and F Copy the figure for taxable profits for 1997-98 for each of your businesses (from box 3.88 on the Self-employment Pages or box 4.22 on the Partnership Pages).

boxes G, H and I Deduct:

- any losses that arose prior to 1997-98 not yet set against previous Class 4 profits. These can only be deducted from the profits of the same business that gave rise to them.
- any interest from 1996-97 and earlier years that has not yet been set against previous Class 4 profits.

The figure of adjustments to profits to be entered at boxes G, H or I must not exceed the taxable profit figure for the relevant business at D, E or F. If, for example, Business 1 has taxable profits of £3,000 (figure entered in box D) and there are total deductions for losses and interest relating to that business of £3,500, then the amount to be entered at box G needs to be restricted to £3,000. A record should be kept of the unused deductions (£500). These can be set against profits of the same business for later years.

boxes J, K and L Enter the profit for each business after the adjustments made to the profits of that business.

The amounts entered here cannot be less than zero - see the advice on boxes G, H and I above.

box M Enter the total adjusted profits for all your businesses.

box N Enter allowable losses of any of your businesses for 1997-98 (box 3.80 on the Self-employment Pages, or box 4.14 on the Partnership Pages) that you want to set against Class 4 profits. Enter any interest you pay in 1997-98 for the purposes of any of your businesses and not deducted in arriving at your taxable profits.

If you are excepted from paying Class 4 NICs on **one** of your businesses (for example, because you were a sleeping partner, diver or diving supervisor), enter in box N the taxable profit of this business (and leave boxes 3.89 and 4.23 blank).

boxes O to Q Enter in box O your total profits after deducting amounts entered in box N. Deduct £7,010 from box O, enter the balance up to a maximum of £17,170 at box P. This is charged at 6%. Enter in box Q the amount of Class 4 NICs that you are liable to pay. If you do not want to calculate your tax, you do not have to fill in box Q (or box 3.91 on the Self-employment Pages, or box 4.25 on the Partnership Pages).

If the Contributions Agency has agreed that your Class 4 contributions may be deferred, enter '0' in boxes P and Q. Explain this in the 'Additional information' box on the Self-employment Pages, or Partnership Pages, as appropriate.

Now:

- add together the adjustments included in boxes G, H, I and N and copy this figure to box 3.90 in the copy of the Self-employment Pages on which you have put information about Business 1
- copy the figure in box Q to box 3.91 in the copy of the Self-employment Pages on which you have put information about Business 1 (or box 4.25 on the Partnership Pages)
- enter 'multiple businesses' in the 'Additional information' box on page 1 of the Self-employment Pages for Business 1 (or in the 'Additional information' box on the appropriate Partnership Pages)

Leave boxes 3.90 and 3.91 blank on the copies of Self-employment Pages (boxes 4.24 and 4.25 in the Partnership Pages) you complete for Business 2 onwards.

Working Sheet (more than one business)

Section 1

	Business 1	Business 2	Business 3
Business name	A	B	C
Taxable profit (or share of taxable profit)	D £	E £	F £
Adjustments to profits	G £	H £	I £
Profits of each business after adjustments	J £ <small>box D minus box G</small>	K £ <small>box E minus box H</small>	L £ <small>box F minus box I</small>

Section 2

Total business profits from Section 1	M £ <small>box J plus box K plus box L</small>
Adjustments to total business profits	N £
Chargeable profits for Class 4 National Insurance	O £ <small>box M minus box N</small>
Minus exempt threshold	£7,010
Amount chargeable to Class 4 NIC (maximum £17,170)	P £ <small>box O minus £7,010</small>
Amount of Class 4 NIC due (maximum £1,030)	Q £ <small>box P x 6%</small>

These notes are for guidance only, and reflect the position at the time of writing. They do not affect any rights of appeal.