

Tel

www.hmrc.gov.uk

Date
*** Our Ref**
Your Ref
NI Number

Dear

We have been looking at our tax records for you. We now believe that you should be completing a tax return each year. On the back of this letter you will find examples of why we ask some of our customers to fill in tax returns.

We will let you know which tax return we want you to complete. At this point we will also tell you the date by which the completed tax return must be received by us. This date will differ depending on whether you choose to complete the tax return online or to fill in a paper version.

If you do prefer to complete your tax return online, we will work out your tax calculations for you and, if we owe you tax, you may get your repayment more quickly. Go to www.hmrc.gov.uk and under *Do it online* select *Self Assessment*.

The enclosed leaflet tells you more about filling in a tax return and online filing. It also includes some information about tax credits.

* The 'Our ref' quoted above is your Self Assessment reference number. It consists of 10 digits and is also known as your Unique Taxpayer Reference (often shortened to UTR). You should always quote this reference number when contacting us and you should pass this reference to your agent if you authorise one to act on your behalf.

If you have a tax adviser and you have already given us your authority to write to him, or her, we will send a copy of this letter to them. They will be able to help you with your tax return. Alternatively, you can contact us – we will be pleased to help.

Yours sincerely

HM Revenue & Customs

Information is available in large print, audio tape and Braille formats.
Type Talk service prefix number – 18001

We need a Tax Return each year if you

- work for yourself – that is, you are self-employed or in partnership (we will also require Partnership Tax Returns)
- are a company director
- are a Name or member of Lloyd's
- are a minister of religion (of any faith or denomination)
- have income from letting any property or land you own (but if you are an employee and this income is less than £2,500 a year a Tax Return may not be necessary)
- receive other untaxed income and the tax due on it cannot be collected through a PAYE tax code
- receive annually (or can be treated as receiving) income from a trust or settlement, or any income from the estate of a deceased person, and further tax is due on that income
- have taxable foreign income, even if you are claiming that you are not normally resident in the UK (this includes non-resident landlords).

Additionally, if you are an employee or pensioner we need a Tax Return if you

- have annual income from savings or investments of £10,000 or more (before tax)
- have annual income of £100,000 or more
- have tax due at the year end that cannot be collected through your PAYE tax code for the following year
- have untaxed income of £2,500 or more annually (but some pensioners may be able to pay the tax on this through their PAYE tax code)
- have annual claims against tax for expenses or professional subscriptions of £2,500 or more
- are 65 and over and entitled to some higher personal (but not the full amount) we may need a Tax Return to work out how much.

Capital Gains

We may want a Tax Return from you if you:

- have sold or given away chargeable assets worth more than four times the annual exempt amount. For 2005-06 the annual exempt amount is £8,500 so that is £34,000, **or**
- deduct losses from your gains, but your gains before any losses or taper relief are more than the annual exempt amount, **or**
- do not deduct losses but your gains after taper relief are more than the annual exempt amount, **or**
- want to claim an allowable capital loss, or make any other Capital Gains claim or election for the year.

Details of the annual exempt amounts for all years can be found on our website www.hmrc.gov.uk

Finally

We may sometimes want a Tax Return for other reasons – perhaps to check if the correct tax has been paid overall. And you can ask us for a Tax Return at any time – for example, if you want to claim a particular tax relief or exemption.