



How to fill in the Non-resident Company Tax Return

This guide has step by step instructions to help you fill in the Non-resident Company Tax Return.

Most of your questions will be answered here. If you need more help, please phone your HM Revenue & Customs office on the number shown on the front of the Tax Return or see page 2 for further details.

New filing dates for 2008–09

*As this Tax Return cannot be filed online, you must file the completed **paper** Return by **31 January 2010**.*

*However, if you want us to do the calculation, the Return must be filed by **31 October 2009**.*

Main dates for the 2008–09 Non-resident Company Tax Return

2008–09	The company must, by law, keep safe all statements, invoices, vouchers and so on needed to fill in the 2008–09 Non-resident Company Tax Return. Failure to do so could give rise to penalties.
April 2009	The company should receive the Non-resident Company Tax Return. Using records of the company's income and expenditure, fill in the Tax Return. This guide will help you. If you need more help, ask your HM Revenue & Customs office or tax adviser. If you have a disability that makes completing the Return difficult, we will be able to help you complete the form. Please contact us to talk about this.
31 October 2009	If you want us to calculate the tax due, in time for the 31 January 2010 payment, send back the completed Non-resident Company Tax Return by 31 October 2009.
31 January 2010	Send back the completed Non-resident Company Tax Return by 31 January 2010 or an automatic penalty of £100 will be charged. By 31 January 2010 the Company must also: <ul style="list-style-type: none">• pay the balance of any tax owed for the 2008–09 tax year• pay the first payment on account for the 2009–10 tax year, if appropriate. The company must also pay what it owes by 31 January 2010 or interest and possibly a surcharge will be charged.

How to fill in the Non-resident Company Tax Return

INTRODUCTION

A non-resident company is liable to Income Tax at the basic rate if:

- it is not trading in the UK through a permanent establishment but has income arising in the UK, or
- it is trading in the UK through a permanent establishment but has income arising in the UK which is not connected to a permanent establishment through which the trade is carried out.

Income from, and connected to, a trade which a non-resident company carries on through a permanent establishment is liable to Corporation Tax and not Income Tax.

1 COMPANY DETAILS

Please provide information about the company in boxes 1.1 to 1.6. If you provide your adviser's phone number (including the area code), please also enter their name, address and reference for you in the 'Additional information' box, box 10.1, on page 8. We need to know how to contact you, therefore it is important for you to inform us if you change the company's Registered Office or business address. Any changes can be made in box 1.1 or the 'Additional information' box, box 10.1 on page 8.

2 UK PROPERTY INCOME

If the company owns land or property in the UK and enters into any transaction which produces rents or other receipts from the land or property, it is treated as operating a property rental business. The company is taxed on the profits of that business.

The concept of a property rental business is broad. The rental profit or loss takes account of all rental and similar income, and related expenses, resulting from the exploitation of land or property in the UK. All activities by which the company derives income from land and property **in the same capacity** are treated as one business. It does not matter whether the company has a single property or numerous properties. All form a single business.

If the company receives income from property as part of its income from a partnership, the rental income from each partnership is treated as a separate property rental business. A separate copy of pages 3 and 4 of the Tax Return should be completed for each partnership. The partnership name, address and UTR (unique taxpayer reference, a ten digit number) should be entered in box 10.1, on page 8.

The guidance below explains what income and what expenses should be included in working out the profits of the property rental business. Further information is available from the Orderline on **0845 9000 404**. A textphone service is available on this number. You can also order by fax on **0845 9000 604**, online at www.hmrc.gov.uk or in writing to PO Box 37, St Austell, PL25 5YN. If you are phoning from abroad please phone the international access code followed by **(+44) 161 930 8331** (fax **(+44) 87 0155 5778**).

- Help Sheet 250 *Capital allowances and balancing charges in a property rental business*
- Help Sheet 251 *Agricultural land*.

There are certain receipts that arise out of the use of land that should not be included in boxes 2.1 to 2.48. If the company runs one of the following types of business:

- canals, inland navigations and docks
 - mines and quarries, including sandpits, gravel pits and brick-fields
 - rights of markets and fairs, tolls, bridges and ferries
- fill in boxes 3.1 to 3.24 instead.

This list is not comprehensive. For further advice, ask us or your tax adviser.

Gather together:

- records of rent received
- records of expenses
- documents to show that the amount of interest or alternative finance payments claimed do not exceed the amount which would be payable if the loan or alternative finance arrangement had been obtained from an independent finance provider entirely at arm's length.

Read the general guidance below.

Return period

Include in boxes 2.1 to 2.48 all profits arising in the year from 6 April 2008 to 5 April 2009 from any land or property held in the UK. Income and expenses must be allocated to the correct Return period. Please do not use pence.

If you have accounts for the company's property income for the period to 5 April 2009, you should transfer the figures in those accounts to boxes 2.1 to 2.48.

If you have accounts for property income for a period ending on any other date, you should apportion figures in the sets of accounts that between them cover the year from 6 April 2008 to 5 April 2009, before putting figures in boxes 2.1 to 2.48.

Accounts are prepared for a variety of reasons and in a variety of ways. It may not be immediately obvious where you should enter figures. The notes that follow are designed to give guidance in the most difficult areas but they are not intended to be hard and fast rules.

In some instances you may need to combine or apportion figures to fit the Tax Return. If you include an expense under one heading where another may be equally appropriate, you should try to be consistent from one year to the next.

Make sure that you transfer **all** the entries in the accounts and that you include them **once** only.

If you do not have accounts, you should fill in boxes 2.1 to 2.48 bearing in mind that the taxable profit should be worked out using generally accepted accounting practice. If you need help, ask us or your tax adviser.

Furnished holiday lettings in the UK

Properties that are let as 'furnished holiday lettings' are treated differently for tax purposes from other properties. There are special rules that allow you to set-off any loss arising from holiday lettings against total income, and not just against other income from property. Calculate the profit or loss arising from such properties separately, from other property rental business income and expenses, to see whether you can take advantage of these special rules.

If there are furnished holiday lettings, start by filling in boxes 2.1 to 2.23. Details of **other rental and business income and expenses** go in boxes 2.25 to 2.62 (see notes under the 'Other property income' heading on page 5).

What is a furnished holiday letting?

We normally regard a letting as a furnished holiday letting if it is a UK property that is:

- furnished, **and**
- available for holiday letting to the public on a commercial basis for 140 days or more during the year (the availability condition), **and**
- actually let commercially as holiday accommodation for 70 days or more during the year (the letting condition), **and**
- let for periods of longer-term occupation for not more than 155 days during the year (the pattern of occupation condition).

A 'period of longer-term occupation' is a continuous period of more than 31 days during which the accommodation is in the same occupation (otherwise than because of circumstances that are not normal). For the purposes of the letting condition a letting of accommodation for a period of longer-term occupation is not a letting of it as holiday accommodation.

If the company has more than one unit of accommodation let for holiday purposes, the letting condition can be relaxed as long as all of them satisfy the availability condition and the pattern of occupation condition. Ask us or your tax adviser for further details.

The year to consider is:

- the year to 5 April 2009, **or**
- if the company first started letting in that year, the twelve months from the date of the first letting, **or**
- if the company finished letting in that year, the twelve months up to and including the date of the last letting.

- Income from furnished holiday lettings

box 2.1 Enter in box 2.1 the gross income arising from properties that qualify as holiday lettings in the UK. This includes all the rents that relate to the year ended 5 April 2009 and any monies obtained from the provision of any services to tenants.

Expenses

If total property income in the year, including furnished holiday letting income, before expenses is less than £15,000 annually, you do not have to list expenses separately. Instead, put total expenses in box 2.8.

The following guidelines give an indication of the main types of expenses likely to arise from holiday lettings, and what usually can or cannot be claimed as a deduction.

Non-allowable expenses:

- capital costs, such as expenses relating to the purchase of the land or property intended to be let, or the cost of purchasing machinery, furnishings or furniture
- any loss made on the sale of a property.

Allowable expenses:

- in general, any costs incurred for the sole purpose of earning business profits
- capital allowances or a renewals deduction on the cost of buying a capital asset may be claimable.

Expenses must be allocated to the correct Return period and it may be necessary to apportion certain expenses to arrive at the correct amount.

If you include any expenses in boxes 2.2 to 2.8, make sure that you do not include them again in boxes 2.30 to 2.36.

- Rent, rates, insurance, ground rents, etc.

box 2.2 Any rent paid under a lease of a property which is let to someone else as a furnished holiday letting, can be deducted in working out the business profits.

Other expenses connected with the property such as business rates, Council Tax, water rates, ground rents or feu duties are also allowable. Enter in box 2.2 the total of these expenses incurred in the period in respect of all properties in the business.

Also include in box 2.2 any expenses incurred as landlord to insure the furnished holiday letting and its contents.

Insurance against loss of rents is also an allowable cost but you must include in box 2.1 any income received as a result of taking out such an insurance. Insurances that extend beyond the rental business, such as personal policies or those insuring private belongings, are not allowable costs.

- Repairs, maintenance and renewals

box 2.3

Repairs and maintenance

Expenses that prevent the property from deteriorating can be deducted as repairs. Examples include exterior and interior painting, stone-cleaning, damp treatment, roof repairs, furniture repairs and repairs to lifts and other machines that form part of the property.

You cannot deduct the cost of capital expenditure incurred on improvements, additions and alterations to the property. Nor can you claim a deduction for the cost of notional repairs that are no longer required as a result of this capital expenditure.

If you are in doubt whether any work on the property is a repair or maintenance, ask us or your tax adviser.

Renewals

You can claim as an expense the cost of replacing furniture, furnishings and machinery supplied with the property where capital allowances are not claimed. You can include the renewal of small items such as knives and forks. If you opt for a renewals deduction you may deduct the cost of replacing any such equipment, but not the cost of the original purchase. Deduct from the replacement cost any sum received for the item you have scrapped or sold. Also deduct any part of the replacement cost that represents an improvement or addition to the original item.

Enter in box 2.3 the total of any such expenses on renewals (and repairs and maintenance) incurred in the period for all the properties in the business. If you are in doubt about what sum to claim as a renewal, ask us or your tax adviser.

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• Interest and alternative finance payments

box 2.4 Interest incurred on loans obtained to buy a property is allowable as a deduction. If you have taken out an alternative finance arrangement to buy a property then the alternative finance payments paid under the arrangement are treated the same way as interest on a bank loan. Relief for the interest or alternative finance payments will be restricted to the amount that would have been payable if the loan or alternative finance arrangement had been obtained from an independent finance provider acting entirely at arm's length without, for example, guarantees or a backing deposit from a controlling person. This will usually be based on a proportion only of the cost and not 100%. If you are unsure whether any interest or alternative finance payments are allowable as a deduction, ask us or your tax adviser.

• Other finance charges

box 2.5 Include in box 2.5 expenses that relate to the financial side of the property rental business. Costs incurred in obtaining a loan or alternative finance arrangement to buy a property that is let are allowable as a deduction. If you are unsure whether any financial cost is allowable as a deduction, ask us or your tax adviser.

• Legal and professional costs

box 2.6 Below are some examples of expenses you cannot deduct, and those you may.

Non-allowable expenses:

- expenses in connection with the first letting or sub-letting of a property for **more than one year**. These include, for example, legal expenses (such as the cost of drawing up the lease), agents' and surveyors' fees and commission
- any proportion of the legal, etc. costs that relates to the payment of a premium on the renewal of a lease
- fees incurred in obtaining planning permission, or on the registration of title when buying a property.

Allowable expenses:

- expenses for the let of a **year or less**
- management fees relating to on-going costs of letting (for example, rent collection, etc.)
- if the lease is for less than 50 years the usual legal and professional fees incurred on the renewal of a lease
- professional fees incurred evicting an unsatisfactory tenant, with a view to re-letting, or those on an appeal against a compulsory purchase order
- professional fees in drawing up accounts.

If you are unsure whether any legal or professional fee is allowable as a deduction, ask us or your tax adviser.

• Costs of services provided, including wages

box 2.7 If, in addition to letting a property, any service is provided to the tenant (such as gardening, portage, cleaning or even something like communal hot water) that requires a degree of maintenance and therefore expense, you can claim the cost of these services to the extent that they are provided wholly and exclusively for the purposes of the letting.

You should enter in box 2.7 the total of any expenses for all properties and their associated services. If any income is received for any service provided, this should be included in box 2.1.

• Other expenses

box 2.8 Enter in box 2.8 all expenses incurred wholly and exclusively for the purpose of the property rental business that are not already included in boxes 2.2 to 2.7. Examples include the costs of rent collection, advertising for tenants, travelling solely for business purposes, stationery, phone calls and other miscellaneous expenses.

Lease premium relief

Where the company (or an earlier tenant) paid a premium to its landlord when the lease was granted, and the company is sub-letting the property in the property rental business, you may be able to claim a deduction for part of the premium paid. The relief for premiums paid is only due on amounts taxable on the landlord as income (or would be if the landlord were liable to tax). If you think the company is entitled to a deduction for a premium paid, ask us or your tax adviser. The amount of the allowable deduction should be entered in box 2.8. The notes for box 2.27 explain how to calculate the part of the premium which is taxable as income on the landlord.

■ Tax adjustments

To arrive at the taxable income (or the loss allowable for tax purposes), you need to make certain adjustments to the net profit or loss arising in the year.

• Capital allowances and balancing charges

boxes 2.11 and 2.12 In working out the profit from furnished holiday lettings you must not deduct:

- the cost of buying, altering, building, installing or improving fixed assets (for example, property and machinery), or
- depreciation or any losses that arise when they are sold.

Instead, you may be able to claim **capital allowances**. These **reduce** a profit or **increase** a loss. An adjustment, known as a **balancing charge**, may arise when the company sells, gives away or stops using an item in the business. This **increases** the profit or **reduces** the loss.

Please complete the capital allowances summary in boxes 2.18 to 2.23 and transfer the totals for **furnished holiday lettings** to box 2.12 (capital allowances) and box 2.11 (balancing charges). Your tax adviser, if you have one, will be able to tell you how to calculate capital allowances and balancing charges.

If you do not have a tax adviser, or want to check your calculation, ask the Orderline or go to www.hmrc.gov.uk for Help Sheet 250 *Capital allowances and balancing charges in a property rental business*.

• Enhanced capital allowances for environmentally beneficial expenditure

box 2.12A Tick box 2.12A if box 2.12 includes enhanced capital allowances for spending on designated environmentally beneficial technologies. You will find more information on this type of expenditure in Help Sheet 250 *Capital allowances and balancing charges in a property rental business*.

■ Losses

You may be able to use any loss in box 2.14 to reduce the amount of tax the company pays on other income in this or earlier years. If you want help with this, ask us or your tax adviser.

- Loss offset against 2008–09 total income

box 2.15 Enter in box 2.15 the amount you want to claim against other income of 2008–09. Do not include here any losses set against other property income in box 2.17.

- Loss relief to be calculated by reference to earlier years

box 2.16 If you want to claim for relief to be calculated by reference to an earlier year, or years, enter the amount of the loss in box 2.16. If you have already made a claim for the relief to be calculated in this way, you should still enter the loss in box 2.16 and provide details in the 'Additional information' box, box 10.1.

- Loss offset against other income from property

box 2.17 Any part of the total in box 2.14 not used in boxes 2.15 and 2.16, can be set against other income from land and property in the year ended 5 April 2009. Do this by entering in box 2.17 the figure in box 2.14 *minus* any figure in boxes 2.15 and 2.16. Copy the result to box 2.43.

Other property income

If the company owns land or property in the UK and enters into any transaction which produces rents or other receipts from that land or property, it is treated as operating a property rental business, and is taxable on the profits of that business.

The concept of a property rental business is broad. The rental profit or loss takes account of all rental and similar income, and related expenses, resulting from the exploitation of land or property in the UK. All activities by which income from land and property is derived in the same capacity are treated as activities of the one business (rental income received as a trustee, personal representative or partner is **not** in the same capacity). It does not matter whether the company has a single property or numerous properties. All form a single business.

The guidance below tells you what income and what expenses should be included in the profits or losses of the property rental business.

Income

- Furnished holiday lettings profit

box 2.24 To fill in this box you will need to have filled in boxes 2.1 to 2.17 first. Follow the guidance on holiday lettings.

- Rents and other income from land and property

box 2.25 Enter in box 2.25 the total of **all** income arising to the business from **any** land and property in the UK, except income arising from holiday lettings, chargeable premiums and reverse premiums (see notes on boxes 2.27 and 2.28).

Income includes receipts in cash or in kind. It is taxable when it is earned, even if the money or goods are not received until later.

Include in box 2.25 any rent received (or to be received) after 5 April 2009 which is payment for the year ended 5 April 2009 (because it is paid in arrears). **Exclude** from box 2.25 any rent received which relates to any period after 5 April 2009 (because it is paid in advance). It must be included in the income for the year to which it relates. **Make sure you do not count money received in this year if it was included in an earlier year.**

Generally, most income will be rental income from a tenancy, or from leasing or licensing agreements over land or property. Rental income from furnished, unfurnished, commercial and domestic

accommodation, and from any land, should all be included in the overall total. If property is let furnished, any sums that a tenant may pay for the use of furniture will be taxable as income of the business. All this income should be added together and entered in box 2.25.

If wayleaves are received and rents are also received from some or all of the land to which the wayleaves relate, include the wayleaves in box 2.25. If a trade is being conducted and the land to which the wayleaves relate is used in that trade, include the wayleaves as part of the trading income. Otherwise, include the wayleaves in box 4.3.

Receipts other than rent

Receipts other than rents are also taxable. Some of the main categories are:

- rent charges, ground rents and feu duties
- income arising from the grant of sporting rights
- income arising from letting others tip waste on the company's land
- income from letting someone use company land when no lease or licence is created; for example, receipts from a film crew who pay to film on the company's land
- grants received from local authorities towards the cost of repairs of a property - see the notes for box 2.31 for guidance on claiming relief for expenses on repairs
- income from land and property from any Enterprise Zone Trusts (include interest from Enterprise Zone Trusts in boxes 4.1 to 4.3 on page 6 of this Tax Return).

This list is not comprehensive. If you do not know whether to include a particular sum, ask us or your tax adviser.

If the company's agent or tenant has accounted for tax on the property income, you should enter the gross income before deduction of tax in box 2.25. Put the figure of tax deducted in box 2.26.

- Tax deducted

box 2.26 Certain income from property is received after tax has been deducted and accounted to us. The main type of income from which tax may be deducted is rental income received by a landlord whose usual place of abode is outside the UK.

If the income in box 2.25 includes payments from which tax has been deducted, enter in box 2.26 the amount of tax deducted.

You should ensure that the amount of income entered in the Tax Return is the total payment before tax has been deducted. In other words, it should be the total amount received plus the tax that has been deducted. It should not be just the amount received after the tax has been deducted.

The UK letting agent (or tenant, if there is no agent) should account for basic rate tax on rental income unless they have written authority from us to pay it gross.

If they have accounted for tax, they must give a certificate showing the amount of tax. Enter this figure in box 2.26.

- Chargeable premiums

box 2.27 The income of the property rental business may include premiums paid for the grant of a lease and certain other lump sum payments and other forms of consideration, given in connection with the right to possession of a property. These are taxable on a special basis.

Broadly, for leases over 50 years the entire premium is treated as a capital receipt and so does not form part of the business's income. For leases of up to 50 years the premium is treated as partly capital and partly rent; only the rent is taxable.

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Use the Working Sheet below to arrive at the taxable amount.

Working Sheet for chargeable premiums – leases up to 50 years

Premium	A £
Number of complete periods of 12 months in the lease (<i>ignore the first 12 months of the lease</i>)	B
50 minus box B	C
Box C divided by 50	D
Box A multiplied by box D	E £

Copy figure in box E to box 2.27.

If you are in doubt about whether any payment received constitutes a premium, ask us or your tax adviser. There can be a premium charge where the company has assigned a lease but not required the payment of a premium. If the company has assigned a lease and you are not sure of the consequences of that assignment, ask us or your tax adviser.

- Reverse premiums

box 2.28 If you receive a payment or other benefit as an inducement to take an interest in any property other than your main residence, for letting, the receipt will be chargeable as income from property.

If you are in any doubt about the proper tax treatment of a reverse premium, ask us or your tax adviser.

Expenses

If total property income in the year, including furnished holiday letting income, before expenses is less than £15,000 annually, you do not have to list expenses separately. Instead, put total expenses in box 2.36.

The following guidelines give an indication of the main types of expenses that are likely to arise in a property rental business and what usually can or cannot be claimed as a deduction.

Non-allowable expenses:

- capital costs, such as expenses relating to the purchase of the land or property intended to be let, or the cost of purchasing machinery, furnishings or furniture
- any loss made on the sale of a property.

Allowable expenses:

- in general, any costs incurred for the sole purpose of earning business profits
- capital allowances may be claimable or a renewals deduction on the cost of buying a capital asset, or a wear and tear allowance for furnished lettings.

Expenses must be allocated to the correct Return period so it may be necessary to apportion certain expenses to arrive at the correct amount.

Make sure you do not put in boxes 2.30 to 2.36 any expenses you have already included in boxes 2.2 to 2.8.

- Rents, rates, insurance, ground rents, etc.

box 2.30 Any rent paid under a lease of a property that is let to someone else can be deducted in working out the business profits.

Other expenses connected with the property such as business rates, Council Tax, water rates, ground rents or feu duties are also allowable. Enter in box 2.30 the total of any such expenses incurred in the period in respect of all properties in the business.

Include in box 2.30 any expenses the company incurred as landlord to insure any let property and its contents. Insurance against loss of rents is also an allowable cost but you must include in box 2.25 any income received as a result of taking out such an insurance. Insurances that extend beyond the property rental business, such as personal policies or those insuring private belongings, are not allowable costs.

- Repairs, maintenance and renewals

box 2.31

Repairs and maintenance

Expenses that prevent the property from deteriorating can be deducted as a repair. Examples include exterior and interior painting, stone-cleaning, damp treatment, roof repairs, furniture repairs and repairs to lifts and other machines that form part of the property.

You cannot deduct the cost of capital expenditure incurred on improvements, additions and alterations to the property. Nor can you claim a deduction for the cost of notional repairs that are no longer required as a result of this capital expenditure.

If you are in doubt whether any work on the property is a repair or maintenance, ask us or your tax adviser.

Renewals

If you have not claimed capital allowances or 'wear and tear' allowances (see page 8) for furniture, furnishings or machinery supplied with the property, you can claim the costs as an expense. You can include the renewal of small items such as knives and forks. If you opt for a renewals deduction you may deduct the cost of replacing any such equipment, but not the cost of the original purchase. Deduct from the replacement cost any sum received for the item you have scrapped or sold. Also deduct any part of the replacement cost that represents an improvement or addition to the original item.

Enter in box 2.31 the total of any such expenses on renewals (and repairs and maintenance) incurred in the period for all the properties in the business. If you are in doubt about what sum to claim as a renewal, ask us or your tax adviser.

- Interest and alternative finance payments

box 2.32 Interest incurred on loans obtained to buy a property is allowable as a deduction. If you have taken out an alternative finance arrangement to buy a property then the alternative finance payments paid under the arrangement are treated the same way as interest on a bank loan. Relief for the interest or alternative finance payments will be restricted to the amount that would have been payable if the loan or alternative finance arrangement had been obtained from an independent finance provider acting entirely at arm's length without, for example, guarantees or a backing deposit from a controlling person. If you are unsure whether any interest or alternative finance payments are allowable as a deduction, ask us or your tax adviser.

- Other finance charges

box 2.33 Include in box 2.33 expenses that relate to the financial side of the property rental business. Costs incurred in obtaining a loan or an alternative finance arrangement to buy a let property are allowable as a deduction. If you are unsure about this, ask us or your tax adviser.

- Legal and professional costs

box 2.34 Below are some examples of expenses you cannot deduct and those you may.

Non-allowable expenses:

- expenses in connection with the first letting or sub-letting of a property for **more than one year**. These include, for example, legal expenses (such as the cost of drawing up the lease), agents' and surveyors' fees and commission
- any proportion of the legal, etc. costs that relates to the payment of a premium on the renewal of a lease
- fees incurred in obtaining planning permission, or on the registration of title when buying a property.

Allowable expenses:

- expenses for the let of a **year or less**
- management fees relating to the on-going costs of letting (for example, rent collection, etc.)
- the normal legal and professional fees the company incurs on the renewal of a lease, if the lease is for less than 50 years
- professional fees incurred evicting an unsatisfactory tenant, with a view to re-letting, or those on an appeal against a compulsory purchase order
- professional fees in drawing up accounts.

If you are unsure whether any legal or professional fee is allowable as a deduction, ask us or your tax adviser.

- Cost of services provided, including wages

box 2.35 If, in addition to letting a property, any service is provided to the tenant (such as gardening, portering, cleaning or even something like communal hot water) that requires a degree of maintenance and therefore expense, you can claim the cost of these services to the extent that they are provided wholly and exclusively for the purposes of the letting.

You should enter in box 2.35 the total of any expenses for all properties and their associated services. If any income is received for any service provided, this should be included in box 2.25.

- Other expenses

box 2.36 Enter in box 2.36 all expenses incurred wholly and exclusively for the purpose of the property rental business that are not already included in boxes 2.30 to 2.35. Examples include the costs of rent collection, advertising for tenants, travelling solely for business purposes, stationery, phone calls and other miscellaneous expenses.

Lease premium relief

Where the company (or an earlier tenant) paid a premium to its landlord when the lease was granted, and it is sub-letting the property in the property rental business, you may be able to claim a deduction for part of the premium paid. The relief for premiums paid is only due on amounts which are chargeable on the landlord as income (or would be, if the landlord was liable to tax). If you think the company is entitled to a deduction for a premium paid, ask us or your tax adviser. The amount of the allowable deduction should be entered in box 2.36. The notes for box 2.27 explain how to calculate the part of the premium which is taxable as income on the landlord.

■ Tax adjustments

To arrive at the taxable income (or the loss allowable for tax purposes) you need to make certain adjustments to the net profit or loss arising in the year.

- Capital allowances and balancing charges

boxes 2.39 and 2.40 In working out the property rental business profits you must not deduct:

- the cost of buying, altering, building, installing or improving fixed assets (for example, property and machinery), or
- depreciation or any losses that arise when they are sold.

Instead, you may be able to claim **capital allowances**. These **reduce** a profit or **increase** a loss. An adjustment, known as a **balancing charge**, may arise when you sell an item, give it away or stop using it in the business. This **increases** the profit or **reduces** the loss.

Please complete the capital allowances summary in boxes 2.51 to 2.64 and transfer the totals for **other property income** to box 2.40 (capital allowances) and box 2.39 (balancing charges).

Include any capital allowances or balancing charges from any investments in Enterprise Zone Trusts and long life assets.

The writing-down allowance for long life assets, comprising machinery and plant that has an expected working life when new of 25 years or more, is 10% a year. Long life asset treatment does not apply to expenditure on the provision of plant and machinery which is a fixture in a building used mainly as a dwelling house, retail shop, showroom, hotel or office.

Include any qualifying costs of converting empty or under-used space above shops and other commercial premises to residential use as a flat conversion allowance, provided that:

- the flats created are available for short-term letting, **and**
- they are not high value flats.

If you let any residential accommodation (such as a house or flat) in the UK (other than as furnished holiday accommodation), capital allowances are not available on any machines, furniture or furnishings supplied. However, see the notes on box 2.42 (10% wear and tear).

Your tax adviser, if you have one, will tell you how to calculate capital allowances and balancing charges.

If you do not have a tax adviser, or want to check your calculation, ask the Orderline or go to www.hmrc.gov.uk

for Help Sheet 250 *Capital allowances and balancing charges in a property rental business*.

- Enhanced capital allowances for environmentally beneficial expenditure

box 2.40A Tick box 2.40A if box 2.40 includes enhanced capital allowances for spending on designated environmentally beneficial technologies. You will find more information on this type of expenditure in Help Sheet 250 *Capital allowances and balancing charges in a property rental business*.

- Section 198 CAA 2001

box 2.40B A Section 198 CAA 2001 election fixes the part of a sale price to be treated as relating to the fixtures. The elections need to be notified to us within two years of the date when the interest is acquired by the buyer. They should accompany the Tax Return for the first period affected by it, where they are prepared by the date the Tax Return is submitted.

How to fill in the Non-resident Company Tax Return – continued

• Landlord's Energy Saving Allowance

box 2.41 Enter in box 2.41 the amount you are claiming for installing energy-saving items in residential property which the company lets:

- loft or cavity wall or solid wall insulation
- draught proofing and insulation for hot water systems
- floor insulation.

The maximum amount you can claim for the total expenditure on these items is £1,500 for each dwelling house. You cannot claim the allowance for any property which is used for furnished holiday lettings.

If the company has installed the energy-saving items in a building which only partly comprises let residential property, you should only claim for the part of the expenditure incurred (or of £1,500 if the total expenditure exceeded that amount) that relates to the let residential property of the building.

If the company owns the property with other persons (or the company and other persons have different interests or rights in the same property), you should only claim for the company's share of the expenditure which has been incurred in respect of the let residential property (or for the company's share of the part of the £1,500 maximum which relates to the let residential property).

• 10% wear and tear

box 2.42 If you let any **furnished** residential accommodation (such as a house or flat) in the UK (other than as furnished holiday accommodation), capital allowances are not available. Instead, you may claim a deduction for either:

- the net cost of replacing a particular item of furniture or furnishings, but not the cost of the original purchase (see the notes on page 6 about renewals), **or**
- an allowance amounting to 10% of the rent received after deducting charges or services that would normally be borne by a tenant but which are, in fact, borne by the company (for example, Council Tax). This allowance, which is known as wear and tear allowance, is accepted as broadly covering the cost of normal renewals of furniture.

You can claim capital allowances if you let furnished, but not residential, accommodation. If you do, you cannot claim the 10% wear and tear allowance.

• Furnished holiday lettings losses

box 2.43 Copy into box 2.43 any figure entered in box 2.17.

■ Losses

The way tax relief is given for any losses varies. The following guidance deals with the more common types of loss relief.

In general, any property rental business loss made is available to be carried forward and set against future property rental business profits. Read the notes on box 2.50. However, the company can get sideways relief against general income for that part of a loss made up of capital allowances.

• Loss brought forward from previous year

box 2.47 Enter the total loss brought forward from the year ended 5 April 2008, relating to all properties in the property rental business. Exclude from this figure any losses brought forward from 2007–08 that you are now setting against total income in 2008–09. Include them in box 2.49 and read the note for box 2.49.

Note that any pooled expenses from a 'one-estate election' carried forward at 5 April 2008 are not allowable in the year ended

5 April 2009 and should be excluded from the total loss brought forward.

box 2.48 If you entered a figure of profit in box 2.45, you should deduct any figure in box 2.47 to arrive at the total taxable profit for the year. If any losses brought forward in box 2.47 are greater than the profits in box 2.45, enter '0' in box 2.48 and put the balance of the losses, after subtracting the profits, in box 2.50. If losses brought forward do not exceed the profits, subtract the figure in box 2.47 from the figure in box 2.45, and enter the difference in box 2.48.

• Loss offset against total income

box 2.49 You can only claim to have the loss from your rental business set off against your total income if:

- the loss arises on your furnished holiday lettings business (dealt with in boxes 2.15 and 2.16, see the notes on losses on pages 4 and 5), **or**
- if your property rental business includes land used for agricultural purposes, the loss is due to certain agricultural expenses (ask the Orderline or go to www.hmrc.gov.uk for Help Sheet 251 *Agricultural land*), **or**
- the loss arises as a result of certain claims to capital allowances.

If you have not claimed capital allowances this year, and you had property rental business profits last year, you should ignore box 2.49 and go to box 2.50. If you have claimed capital allowances, sideways relief (against other taxable UK income for 2008–09) is limited to whichever is the lowest of the following three figures:

- the amount of capital allowances in box 2.40 after deduction of any balancing charges in box 2.39, **or**
- the amount of the loss in box 2.46, **or**
- the amount of general income available arising in the year ended 5 April 2009.

So, if capital allowances do not exceed the balancing charges entered in box 2.39, no sideways relief is available even though the company made a loss in box 2.46.

But, for example, if the company had capital allowances of £3,000 and a balancing charge of £1,000, you can claim sideways relief up to £2,000, depending on the amount of loss made (in box 2.46) and the total taxable UK income arising in the year ended 5 April 2009 against which it can be set.

If you want to set the loss against general income of the same year, that is, the year ended 5 April 2009, enter the amount of the relief in box 2.49 together with any loss brought forward from last year (see the notes for box 2.47).

You can deduct the loss entered in box 2.46 from your total income for the year ended 5 April 2010 if it derives from an excess of capital allowances over balancing charges and the company has not already used that excess against 2008–09 income. **Include the loss in the 2009–10 Tax Return.**

• Loss carried forward to following year

box 2.50 You can carry forward any unused losses and set them against future profits from the same property rental business. To arrive at the total remaining losses to carry forward to the year ended 5 April 2010:

- **if the company made a profit in box 2.45 and has unused losses brought forward from an earlier year**, enter in box 2.50 the balance of losses after subtracting the profits in box 2.45
- **if the company made a loss in box 2.46**, subtract from this figure any part of the loss used against general income in box 2.49, and add the result to the figure of earlier losses brought forward in box 2.47. Enter the total in box 2.50.

boxes 2.61 and 2.62 For information on Business Premises Renovation Allowance read the notes for boxes 7.4 and 7.5 on page 12.

3 INCOME FROM TRADING IN THE UK

If at any time during the 2008–09 tax year the company carried on a trade in the UK **other than through a permanent establishment**, you should attach the accounts and tax computations for the basis period (see notes below) **and** also complete boxes 3.1 to 3.12, of this Tax Return.

If the company carries on more than one trade in the UK other than through a permanent establishment, you may need to complete more than one series of income from trading boxes (boxes 3.1 to 3.24). If so, photocopy page 5 and attach the copy to this Return.

If you need help to arrive at the company's total taxable profits ask us or your tax adviser.

The company should have records of all its business transactions. These must be kept until at least 31 January 2015 in case we ask to see them.

Business details

- Basis period for 2008–09

The company pays tax for 2008–09 according to the profits, or losses, for its basis period. These notes will help you decide the basis period.

After the first two or three years in business the basis period will be the 12 month period up to the date you choose as the company's annual accounting date. For example, if the company has been in business for a number of years and its annual accounting date is 31 December, the basis period for 2008–09 is the 12 months from 1 January 2008 to 31 December 2008.

Ask us or your tax adviser for guidance if:

- the business started after 5 April 2006, **or**
- the accounting date is not the same as used in 2007–08, **or**
- there was no accounting date in 2008–09, **or**
- the business ceased in 2008–09.

box 3.1 Make sure you complete this box for each set of trading details you complete.

boxes 3.2 and 3.3 Enter the details of the accounting period to which the information relates. Make sure you read the guidance headed 'Basis period for 2008–09' above before continuing. Work out the basis period to decide the periods of account for which you need to attach accounts and computations.

box 3.4 Tick box 3.4 if the business name or address has changed since your last Tax Return.

box 3.5 If the business started after 5 April 2008, enter the start date.

box 3.6 If the business was sold or closed down between 6 April 2008 and 5 April 2009, enter the date it ceased.

box 3.7 Tick box 3.7 if there is a gap between the end of the previous accounting period and the beginning of this one. Explain why in the 'Additional information' box, box 10.1, on page 8.

boxes 3.8 and 3.9 If the company's accounting date has changed, tick box 3.8 or box 3.9, as appropriate.

Adjustments to arrive at taxable profit or loss

You should only calculate the taxable profit or loss for 2008–09 once, even if you are providing details from more than one set of accounts for this year.

boxes 3.10 and 3.11 Enter in box 3.10 the beginning, and in box 3.11 the end, of the basis period for 2008–09.

boxes 3.12 to 3.14

Overlap profit and relief

If the company's annual accounting date is a date other than 5 April then overlaps in its basis periods may occur:

- in the first three years after its business starts up, **or**
- in a year in which the company changes its accounting date.

The company may be able to claim overlap relief for the profit (the overlap profit) which arises in any overlap period.

Overlap relief may be due for 2008–09 if:

- the company's business closed down or was sold in 2008–09, **or**
- the company changed its accounting date and its basis period, as shown in boxes 3.10 and 3.11, exceeds 12 months.

Enter in box 3.12 any unused overlap profit (including any unused transitional overlap profit) brought forward from 2007–08; in box 3.13 any overlap profit used in 2008–09; and in box 3.14 any unused overlap profit carried forward to 2009–10.

boxes 3.15 and 3.16 Enter in box 3.15 the company's net profit for 2008–09. If the result is a loss, enter '0' in box 3.15 and the amount of the loss in box 3.16.

If the company has made a loss it may be able to claim tax relief. Some claims for a 2008–09 loss must be made by 31 January 2011. Ensure that any claims are made within the time limit prescribed. If you need help ask us or your tax adviser.

We do not usually accept late claims.

If you cannot complete box 3.15 or box 3.16 because it is impossible to prepare the figures from which the taxable profit is to be calculated before the latest date for sending the Tax Return, you should provide an estimate of the taxable profit in box 3.22 and explain in the 'Additional information' box, box 10.1, on page 8, why you cannot provide final figures. Please say when you expect to provide final figures.

box 3.17 If you wish to offset the 2008–09 loss against other income of 2008–09, enter in box 3.17 the amount the company is claiming to offset.

box 3.18 If you want to claim for relief to be calculated by reference to an earlier year, or years, enter the amount of the loss in box 3.18. If you have already made a claim for the relief to be calculated in this way, you should still enter the loss in box 3.18 and provide details in the 'Additional information' box, box 10.1, on page 8.

How to fill in the Non-resident Company Tax Return – continued

box 3.19 Enter in box 3.19 any losses sustained in 2008–09 that the company claims to carry forward against later profits.

boxes 3.20 and 3.21 Enter in box 3.20 any losses sustained in the same business in earlier years, which the company claimed to carry forward against later profits, and which have not already been used.

The company can use that loss to offset any profit entered at box 3.15. Enter in box 3.21 the amount you are deducting up to the figure in box 3.15.

box 3.23 Enter any amounts not included elsewhere in this section but which are needed to calculate the taxable profits received in the year to 5 April 2009.

box 3.24 Enter the total of boxes 3.22 and 3.23.

4 OTHER UK INCOME

boxes 4.1 to 4.3 These boxes should be used for all other chargeable income arising to the company, but it is not necessary to enter 'excluded income' here. In general, excluded income consists of receipts such as dividends from UK companies, interest or alternative finance receipts from UK banks and building societies, income from UK unit trusts, and profits from public revenue dividends.

Income from royalties is not excluded income, and so should be entered here. Certain receipts from trusts should also be entered in these boxes. Where the company is entitled to income from a trust as it arises, all income arising to the trustees which is not excluded income must be entered in these boxes. In particular, trust income derived from property, royalties or trading activities should be entered here.

Discretionary payments from trusts are excluded income.

In box 4.4 specify the source(s) of the income in boxes 4.1 to 4.3.

5 TAX CALCULATION (OPTIONAL)

If the completed Tax Return reaches us by 31 October 2009, you do not have to calculate the company's tax.

If we receive the Tax Return after 31 October and you have not done the tax calculation, we will do it for you but you may not receive it in time to know what to pay by 31 January. If the company does not pay enough, it will also have to pay interest and perhaps a surcharge.

If you choose to calculate the company's tax, tick the 'Yes' box, then do your calculation and fill in boxes 5.1 to 5.11.

As with any other part of the Tax Return you can ask us for help if you have difficulty with particular parts of the calculation.

box 5.1 The chargeable income is the sum of the net profit from UK property, income from trading in the UK (other than through a permanent establishment) and any other income (other than 'excluded' income), for example, from royalties or trusts. Add together boxes 2.48, 3.24 and 4.3. Enter the total in box 5.1.

box 5.2 Enter in box 5.2 any land and property or trading losses to be offset against total 2008–09 company income (from boxes 2.15, 2.49 and 3.17).

box 5.3 The total income chargeable to Income Tax is box 5.1 *minus* box 5.2.

box 5.4 Some tax may have been deducted from other income before the company received it. Credit is given for this tax. Enter in box 5.4 the total amount of tax deducted from box 4.2.

box 5.5 Tax is due at the basic rate only. The total tax due is box 5.3 x 20% *minus* box 5.4. Enter the result in box 5.5.

box 5.6 Enter in box 5.6 any tax deducted at source under the Non-Resident Landlords Scheme.

box 5.7 Deduct box 5.6 from box 5.5. Enter the result in box 5.7. This is the amount of tax due for 2008–09. Put the figure in brackets if the result is negative (see Part 6 if you want to claim a repayment).

Working out payments on account for 2009–10

box 5.8 Some companies will need to make two payments on account for 2009–10, each equal to one half of the Income Tax liability for 2008–09. The first payment is due on 31 January 2010 and the second on 31 July 2010.

The company will not have to make payments on account for 2009–10 if its tax bill for 2008–09 (box 5.7) is less than £1,000 or if most (80%) of its tax bill is deducted at source.

If the company does not expect any tax to be deducted from its rental income in 2009–10 and it had tax deducted from its 2008–09 rental income, the payments on account for 2009–10 will be calculated on the figure entered in box 5.5.

Interest will be charged on late payments of payments on account (see 'If the company does not pay its tax on time' on page 12).

Reducing payments on account

box 5.9 Tick box 5.9 if the company claims to make reduced payments on account. This might happen if the company expects its income in 2009–10 will be lower than its income in 2008–09 and/or it expects that more of its income will be taxed at source.

If the company wants to reduce its payments on account it must make a reasonable estimate on the basis of information held of the difference between the Income Tax it expects to pay for 2009–10 and its Income Tax for 2008–09 on this Tax Return. It can reduce each of its payments on account by half this difference.

Enter the amount of each reduced payment on account in box 5.8 and give the reasons in the 'Additional information' box, box 10.1, on page 8 of the Tax Return.

Tax owed or overpaid for 2008–09

box 5.10 If the company has made payments on account for 2008–09, the payments will be shown on the Statement of Account. Add up the payments which have been used to offset the 2008–09 liability and put the total in box 5.10.

Do not include payments of interest, penalties, surcharges or liabilities arising from earlier years.

box 5.11 Enter the total of the figures in boxes 5.7 and 5.8 *minus* the figure in box 5.10.

6 OVERPAYMENTS AND REPAYMENT CLAIMS

Tick the 'Yes' box to claim a repayment. Fill in boxes 6.1 to 6.13, as appropriate.

boxes 6.1 to 6.13

Tick box 6.1 if you want the repayment sent to the company's UK bank or building society. (We will only make payments to a UK bank or building society account.) Repayment will be received sooner if we make it direct to an account. But tick box 6.3 if you want the repayment to be sent by payable order to the company.

Tick box 6.2 if you want the repayment sent direct to a nominee's bank or building society account in the UK. Tick box 6.4 if you want a payable order sent to a nominee, and tick box 6.10A if the nominee is the company's adviser. Fill in boxes 6.5 to 6.9 to give details of the company's or the nominee's UK account. If you have ticked box 6.2, fill in boxes 6.10 to 6.12 as appropriate, to give details of the nominee. **You must sign box 6.13.**

Please note that:

- we reserve the right not to make a repayment to your nominee
- if you claim repayment this does not change your liability to make further payments when they fall due.

7 OTHER INFORMATION

Estimates (including valuations)

box 7.1

Do not delay sending the Tax Return just because you do not have all the information you need. You must do your best to obtain the information, but if you cannot provide final figures by the time you need to send your Tax Return, then provide provisional figures.

Tick box 7.1 and say in the 'Additional information' box, box 10.1:

- which figures are provisional (refer to appropriate box numbers in the Tax Return)

and, it would be helpful if you say

- why you could not give final figures, **and**
- an appropriate date on which you expect to provide your final figures.

If you use provisional figures, you must have taken all reasonable steps to get the final figures and ensure that they are sent as soon as they are available. You could be charged a penalty if you did not have a good reason for using a provisional figure or you did not take sufficient care to calculate the provisional figure in a reasonable amount. We would not regard pressure of work on either you or your tax adviser or the complexity of your tax affairs as reasons for using a provisional figure.

You must ensure that any provisional figures you do include are reasonable and take account of all the information available to you.

If you negligently submit a provisional figure which is either inaccurate, or unnecessary, you may be liable to a penalty.

Other estimates (including valuations)

In some situations you may need to provide an estimated figure or valuation which you do not intend to amend at a later date. Broadly, this will be the case when:

- a valuation is required (for example, of an asset at a certain date for the purposes of calculating Capital Gains Tax liability), **or**
- there is inadequate information to enable you to arrive at a reliable figure (for example, where the records concerned have been lost or destroyed), **or**
- while there is inadequate information to arrive at a precise figure, a reliable estimate can be made (for example, where the private proportion of an expense, such as motoring expenses, has been calculated on the basis of the detailed records of a representative sample period).

You should identify any valuations you have used by entering the figure in the 'Additional information' box, box 10.1, on page 8 of your Tax Return, giving details of the valuation. Do not tick box 7.1.

You should also identify any figures in the Tax Return which may not be very reliable; where appropriate, explain how the figure has been arrived at. But if you are including an estimate which, while not a precise figure, is sufficiently reliable to enable you to make an accurate Tax Return, there is no need to make specific reference to it.

Disclosed tax avoidance schemes

boxes 7.2 and 7.3

Enter in box 7.2 the scheme reference number (SRN) of any scheme or arrangement the company has used to obtain a tax or National Insurance contributions advantage now or in the future. In most cases you will have received the SRN from the scheme promoter, but in some cases you may have received the SRN from HM Revenue & Customs.

Advantage here means:

- relief or increased relief from, **or**
- repayment or increased repayment of, **or**
- the avoidance or reduction of a charge to, **or**
- the avoidance of an assessment, or possible assessment, to **or**
- the deferral of any payment, or the advancement of any repayment of, **or**
- the avoidance of any obligation to deduct or account for

Corporation Tax, Income Tax or National Insurance contributions.

If you are an employer and the notifiable arrangements concerned are arrangements connected with employment, you should not enter the SRN in this Return. SRNs for employment products should be notified separately using form AAG4, available from www.hmrc.gov.uk or from the Orderline.

If you fail to report the SRN for a scheme or arrangement, you will be liable to a penalty.

Enter in box 7.3 the accounting period in which the expected tax advantage first arises. This may be the year to 5 April 2009 or a future year. It may be an earlier year if this is the first time you have reported the SRN. Even if you have reported the SRN in a previous Return, you must continue to report it until there is no longer a tax advantage (for example, until losses produced by the scheme have been used up).

Further information on the rules for disclosure of tax avoidance schemes and arrangements is at www.hmrc.gov.uk (search using 'disclosure avoidance guidance' or you can contact us.

Business Premises Renovation Allowance (BPRA)

boxes 7.4 and 7.5

The Business Premises Renovation Allowance (BPRA) scheme took effect from 11 April 2007. From that date, for a period of five years, if the company carries out conversion, renovation or repairs to unused business premises which brings them back into business use, it is entitled to claim a 100% allowance against the costs incurred, subject to the following rules.

To qualify for BPRA, premises must:

- not have been used for any trading or other business activity, or as offices, for at least one year before the works began
- be in an Assisted Area, that is, areas which are considered to be disadvantaged and eligible for regional aid. The whole of Northern Ireland qualifies as an Assisted Area and to see whether an area in England, Wales and Scotland qualifies go to www.dtistats.net/regional-aa/aa2007.asp
- be available for business or commercial use after the works are complete (but must not be used for farming, fisheries and aquaculture, the manufacture of substitute milk products or synthetic fibres, shipbuilding, steel or coal industries).

BPRA cannot be claimed:

- if the renovation expenditure has been incurred on any residential property, or
- on the costs of acquiring the land, extending the business premises, or developing land next to the business premises.

For further information about BPRA and the conditions you must satisfy to claim the allowance, go to www.hmrc.gov.uk

8 ACQUISITIONS AND DISPOSALS

Please provide a breakdown of any properties acquired or sold by the company during the period of the Return. Please also confirm if the property(ies) has/have been sold and whether any further properties are still owned in the UK. This information is required to help us establish the company's future intentions and also whether Tax Returns are required to be issued for subsequent years.

9 DECLARATION

The declaration in box 9.1 should be signed by the proper officer of the company, usually the Company Secretary, or by any other person authorised by the company. Enter the capacity in which the Tax Return is signed in box 9.2.

If the Tax Return is signed by someone authorised by the company, then as well as completing box 9.2, that person should also enter their name and address in the 'Additional information' box, box 10.1, on page 8.

10 ADDITIONAL INFORMATION

box 10.1

All additional information about the company should be included in this box.

If you have been sent a Return but are not in receipt of rental income, please use this box to tell us why. For example, the property may be vacant and has not been let for the period covering the Return.

Paying the tax

The company's Statement of Account

If we receive the completed Tax Return by 31 October 2009, we will send a Statement of Account showing how much tax the company owes us, or we owe the company, before any final payment is due on 31 January 2010. It will also explain how to pay.

If we receive the completed Tax Return after 31 October 2009, we cannot guarantee to process it in time to let you know how much to pay on 31 January 2010. This might mean that you have to estimate how much to pay.

We will send you a payslip with either a Statement of Account or a Reminder. If the company pays too little tax, it will have to pay interest and perhaps a surcharge. If the company pays too much tax and has claimed a repayment, we will repay it with any interest due. If the company does not claim a repayment we will set the amount due, plus any interest, against its next tax bill.

If you make payments on account

Some companies will need to make two payments on account for 2009–10, each equal to one half of the Income Tax liability for 2008–09. The first payment is due on 31 January 2010 and the second on 31 July 2010.

The company will not have to make payments on account for 2009–10 if its tax bill for 2008–09 (box 5.7) is less than £1,000 or if most (80%) of its tax bill is deducted at source.

Ways to pay

Please pay by one of the following methods:

- your bank's Internet or phone banking facility
- BillPay: debit card over the Internet
- at your bank
- at a Post Office
- by post.

Further details of how to pay are given on the back of the Statement of Account, Reminder, or How to Pay leaflet, or go to www.hmrc.gov.uk

If the company does not pay its tax on time

We will charge interest on all late payments from the date the tax becomes due until it is paid. You will have to pay a surcharge on any tax for the year ending 5 April 2009, which is due by 31 January 2010, but is not paid by 28 February 2010.

This surcharge will be:

- 5% of the tax paid late, and another
- 5% if the tax is paid later than 31 July 2010.

If the company pays too much tax

If a repayment is not claimed, we will take the amount we owe you, plus any interest, off your next tax bill.

If a repayment is claimed, please tick whichever of boxes 6.1, 6.2, 6.3 or 6.4 are appropriate and we will repay it, plus any interest due on the amount overpaid. Note, if you have an amount to pay that is due in the near future then we will generally set-off any repayment against this liability. Also, we would prefer not to make repayments of small amounts (below £10) because of administrative costs. If you do not agree with these set-offs, please contact us.

■ *If the Tax Return is incorrect*

If the Tax Return is incorrect and the company **has not paid enough tax**, then we will ask for further tax. We may charge the company interest from the original due date, penalties and a surcharge.

■ *If the notice requiring the company to make its Tax Return was given after 31 July 2009*

If the notice requiring the company to make its Tax Return was given after 31 July 2009 we must receive it from the company by the later of:

- **3 months from the date the notice was given, or**
- **31 January 2010.**

Any tax due must also be paid by the same date.

We will charge the company interest on any tax paid after the due date. A surcharge of 5% will also be made on any tax still unpaid more than 28 days after the due date.

The notice requiring the company to make its Tax Return is 'given' on the day it is delivered to the company. We will normally assume, for example, for the purpose of charging automatic penalties for the late submission of the Tax Return, that delivery will have taken place not more than seven days after the date of issue shown on the front of it.

If you have a complaint

Problems can usually be settled most quickly and easily by the office you have been dealing with. You will always be given a contact name or number in any correspondence we send you.

If you cannot settle a matter with the office you have been dealing with, you can write to:

- the Director with overall responsibility for that office or unit, **or**
- if the problem concerns the service you have been given by an Accounts Office, the Director of that Office.

The Director will look into your case and quickly let you know the outcome. For more information about making complaints, please go to www.hmrc.gov.uk and under 'quick links' select 'Complaints'.

If you are still not happy

If the Director has not been able to settle your complaint to your satisfaction, you can ask the Adjudicator to look into it and recommend appropriate action. The Adjudicator is an impartial referee whose recommendations are independent.

The Adjudicator's address is:

The Adjudicator's Office
8th Floor
Euston Tower
286 Euston Road
London NW1 3US

Telephone **0300 057 1111** or **020 7667 1832**
Fax **0300 057 1212** (Typetalk facilities are available)

The Adjudicator's leaflet *AO1* gives information about complaining to the Adjudicator.

Finally, you can ask your MP to refer your case to the independent Parliamentary and Health Service Ombudsman. The Ombudsman will accept referral from any MP, but you should approach your own MP first. Further information is available from:

The Parliamentary and Health Service Ombudsman
Millbank Tower
Millbank
London SW1P 4QP

Telephone: **0845 015 4033**
Fax: **020 7217 4000**.

Our service commitment to you

HM Revenue & Customs are committed to serving your needs well by:

Acting fairly and impartially

We:

- treat your affairs in strict confidence, within the law
- want you to receive or pay only the right amount due.

Communicating effectively with you

We aim to provide:

- clear and simple forms and guidance
- accurate and complete information in a helpful and appropriate way.

Providing good quality service

We will aim to:

- handle your affairs promptly and accurately
- be accessible in ways that aim to meet your needs
- keep your costs to the minimum necessary
- be courteous and professional.

Taking responsibility for our service

If you wish to comment or make a complaint we want to hear from you so we can improve our service. We will advise you how to do this.

We can provide a better service if you help us by:

- keeping accurate and up to date records
- letting us know if your personal/business circumstances change
- giving us correct and complete information when we ask for it
- paying on time what you should pay.

Privacy and Data Protection

HM Revenue & Customs is a Data Controller under the Data Protection Act 1998. We hold information for the purposes specified in our notification to the Information Commissioner, including the assessment and collection of tax and duties, the payment of benefits and the prevention and detection of crime, and may use this information for any of them.

We may get information about you from others, or we may give information to them. If we do, it will only be as the law permits, to:

- check the accuracy of information
- prevent or detect crime
- protect public funds.

We may check information we receive about you with what is already in our records. This can include information provided by you, as well as by others, such as other government departments or agencies and overseas tax and customs authorities. We will not give information to anyone outside HM Revenue & Customs unless the law permits us to do so. For more information go to www.hmrc.gov.uk and look for *Data Protection Act* within the *Search* facility.

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