

## SIXTY SECOND UPDATE AUGUST

Welcome to our new quarterly guide alerting you to topical issues. We've kept it brief to not take up too much of your valuable time. We hope you like it but would love to hear your comments.

From April 2008, capital gains will no longer be taxed at 40% for higher rate tax payers or 20% for basic rate tax payers. Instead gains will attract a maximum rate of 18% or even 10% if you qualify for the new entrepreneur's relief. There are conditions attached to the new relief so if you are thinking of selling shares, a business, or another asset please get in touch with us to check if you qualify.

The new Companies Act has been bringing in a number of changes, from April there is no longer a requirement to have a company secretary and from October 2009 directors can choose whether to remove their private address from the records at Companies House for increased privacy.

Following Gordon's embarrassing back tracking of the withdrawal of the 10% personal tax band, the personal allowance for the year ended 5<sup>th</sup> April 2009 will be increased, for this year only, by £600 to £6035, and to off set this the higher rate will be threshold reduced by £1,200 to £34,800. (Please update the laminated taxation guide that we sent to you before the change was announced)

HM Revenue & Customs intends to issue new PAYE coding notices to employees in September that will spread the change over the remainder of the tax year.

If applicable, you should now have paid the second personal tax payment on account that was due at the end of July. If we are not preparing your tax return for you and you are not submitting your tax return electronically then your tax return needs to be sent to your tax office to arrive by 31<sup>st</sup> October 2008 rather than 31<sup>st</sup> January 2009 for the rest of us.

Please remember to review your circumstances regularly, we suggest you ask yourself:

- Is your limited company using a rent licence to claim working from home ?
- Are you paying junior family members over the age of 13 for their part time role in the business?
- Do you need a pension?
- Do you know how profitable your business is today and how sensitive your business would be to a downturn in the economic climate?

Please come and see us to discuss any of the above with Claire or John.