

VAT Initiative – Failure to register for VAT

There is still time!

In their announcement on 7 September 2011, HMRC reminded businesses not registered for VAT, but who ought to be, of the opportunity to take advantage of their VAT Initiative to secure reduced penalties.

The details of this initiative can be found in a recent online article published by HMRC (See link below)

www.bit.ly/FailuretoregisterforVAT

Some of the trade sectors being targeted include:

- Construction
- Business services
- Hair and beauty
- Hotels and catering
- Retail distribution
- Recreational services
- Motor vehicle distribution and repair
- Sanitary and domestic services
- Agriculture and horticulture
- Property
- Road haulage

So, if you operate within one of these business areas and you are not yet VAT registered, now is the time to review the level of turnover attained over the past couple of years. Remember, this exercise should be carried out on a 12 month rolling basis and not just the financial year-end figures prepared by your accountant.

If you find that you have exceeded the VAT registration limit (currently £73,000 p.a.) then you only have until 30 September 2011 to inform HMRC about it if you want to be included in this Initiative.

HMRC's announcement also contains the following wording that could be taken to be ambiguous;

"Tell HMRC about VAT due and make arrangements to pay it, as well as any penalties due, by 31 December."

We have contacted HMRC's dedicated Initiative Team who have confirmed that this does NOT mean the payment plans must offer final payment of any arrears by 31 December 2011, just the proposal must be submitted by that date.

Act now to ensure you do not get caught out by the VAT man at a later date!

The Abbey Tax ReSource Consultancy Team has a wealth of VAT Consultancy services at competitive rates so if you are unsure what you need to do, why not contact Abbey Tax?

Contact our marketing team on **0870 166 6270** or email marketing@abbeytax.co.uk for more information.