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ALLENSSACCOUNTS

Deferring your Self-Assessment Payment due on 31 July 2020

Please remember that every taxpayer has the option of deferring the second 2019/2020 payment on account that falls due at the end of this month **until 31 January 2021**.

You can still make the payment by 31 July 2020 as normal if you're able to do so. HMRC will not charge interest or penalties on the deferred payment provided it's paid on or before 31 January 2021.

You do not need to tell HMRC that you're deferring the payment.

You can make payment any time between 31 July 2020 and 31 January 2021.

Choosing to defer will not stop you from being entitled to other HMRC coronavirus support such as the self-employed scheme.

Please note that by deferring the payment you will have a much larger payment to make on 31 January 2021 as you will also have to pay:

- The balancing payment for 2019/20; and
- The first payment on account for 2020/21.

There is no indication that HMRC will extend the deadline for these payments beyond 31 January 2021.

[Final Call for the First SEISS Grant](#)

Taxpayers eligible for the first grant under the Self-employment Income Support (SEISS) **must make their claim by Monday 13 July 2020**. This deadline was recently announced at the same time as a second round of grants was announced.

A business must have been adversely affected by Covid-19 **on or before 13 July 2020** to claim the grant.

HMRC has provided some guidance on the meaning of 'adversely affected'.

This includes being unable to work because the taxpayer is shielding, self-isolating or is on sick leave or has care responsibilities because of Covid-19. It also includes;

- scaling down or temporarily stopping trading because the supply chain has been interrupted;
- the business has fewer or no customers; or
- staff are unable to work.

The lack of any mention of specific or measurable reductions in income is intentional. The taxpayer should keep evidence of the impact on their trade, but there is no link between the amount of the grant and the financial loss. The list is not exhaustive; for example, a business might be adversely affected if it has to write off a bad debt because a customer has ceased trading due to Covid-19.

The scheme specifically allows a claim where the trade has continued, so long as the trade is 'adversely affected'. During the application process, the taxpayer is asked to confirm that they meet the eligibility criteria, but the importance of the questions may be missed by some and others may worry about them unnecessarily.

HMRC's initial guidance was not specific about when a business needed to be adversely affected to qualify for a grant. This has now changed and to qualify for the first grant the business must have been adversely affected before or on 13 July 2020.

To qualify for the second grant the business must be adversely affected on or after 14 July 2020. It is possible to qualify for and claim one grant and not the other. [HMRC has published some examples](#) to illustrate this.

Applications for the second SEISS grant opens on 17 August 2020. This grant will be a taxable grant worth 70% of your average monthly trading profits, paid out in a single instalment covering a further 3 months' worth of profits, and capped at £6,570 in total.

<https://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme#extension>

The Allens Team



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