

How to Complete My Tax Return

By paper or online

You can choose to complete your tax return online or by paper. HMRC would prefer you to do it online but it is entirely up to you. If you want to do it on paper and HMRC do not send you one in April you will have to request one.

Paper returns have to be submitted by 31 October after the tax year end whereas the deadline for filing an online return is 31 January.

There are two major disadvantages of submitting a paper return and these are:

- HMRC have to key in the figures from your return and there is a possibility that an error may occur. Would you know if this had happened?
- You have to wait until HMRC has processed the tax return before you know how much tax you will have to pay. This could take several months from the date you post the tax return. When you file online you receive the tax calculation straight away.

Filing online

You have to register for online filing and this is covered in the getting started section. It can take some time to get the log-in details so do not wait until January to do this.

You will need the log-in and password details every year so record them in a safe place together with your National Insurance number and unique tax reference (UTR).

Collate all of your information first

Collate all of the information for your tax return before you start to complete it regardless of whether it is on paper or online. It will be very frustrating if you don't. The different sources of income you need to consider are:

- Employment
- Self-employment
- Interest from banks, building societies and other deposit takers.
- Dividends from shares
- Other investment income including gains on life assurance policies
- Partnerships
- Pensions and annuities
- Rental income
- Foreign

- Trusts or estates
- Other earned income

You will also need details of any:

- Capital disposals
- Personal pension contributions
- Gift aid payments

Completing the Return

The easiest way to complete a return is to start at the beginning and work your way through it answering each question as it arises. This way you may be prompted for other sources of income or outgoings that you had previously not considered. The online system takes you through this process but if you are completing a paper return it is easy to miss sections if you do not follow this simple procedure.

Penalties

Take care when completing the return because HMRC are entitled to levy a penalty if you submit an incorrect return.