



Quarterly, Issue 1 – Q3 2023

Welcome to the first edition of Quarterly, the new quarterly newsletter from Trinity Accounting Services, focused on the latest developments in accountancy.

Important changes that have happened in the last quarter that we need to focus on.

Corporation Tax rate increase to 25%

How is your company preparing for the change?

The corporation tax rate has increased to 25% from 1 April 2023, affecting companies with profits of £250,000 and over. The legislation that provided for this increase also sets out that small companies with profits up to £50,000 will continue to pay corporation tax at 19%, with profits between these two figures being subject to a tapered rate.

So, what is meant by a tapered rate? A tapered rate means the rate will gradually increase between the £50,000 - £250,000. The lower and upper limits. This is done by using - Marginal Relief.

Marginal Relief

Marginal Relief provides a gradual increase in Corporation Tax rate between the small profits rate and the main rate, this allows you to reduce your rate from the 25% main rate.

Calculating profits and the profit limits

To determine the correct rate to apply, a company must establish its 'augmented' profits. These are the company's taxable total profits of that period, plus certain non-taxable dividends (and some other kinds of distributions), received from companies that are not subsidiaries of the company.

HMRC have launched an extremely user-friendly calculator on their website to calculate this marginal rate:

[Calculate Marginal Relief for Corporation Tax - Calculate Marginal Relief for Corporation Tax - GOV.UK](https://www.gov.uk/calculate-marginal-relief-for-corporation-tax)



Self-Assessment

HMRC helpline closed for summer – how could you be impacted?

While the helpline is closed, taxpayers will be redirected to a digital assistant and online guidance.

It will reopen again on 4 September 2023.

The line is still open if you need to discuss a bereavement

Angela MacDonald, Deputy CEO and Second Permanent Secretary at HMRC, said: “We continually review our services to see how they can best serve the public and we are taking steps to improve them.

“Our online services, including the HMRC app, are quick and easy to use and have been significantly improved. I urge customers to explore these fully before deciding to wait to speak to us on the phone.”

Tax deadlines approaching

Self-Assessment taxpayers whose annual income tax is greater than £1,000 will have to make a payment on account.

What are payments on account?

Payments on account are tax payments made twice a year by self-employed Self-Assessment taxpayers to spread the cost of the upcoming year’s tax. HMRC predicts these payments on account for your future income based on your past income.

They’re due in two instalments – the deadlines are **31 January** and **31 July**.

The next payment on account deadline is 31 July.