

## Corporation Tax Self Assessment

**Corporation tax self assessment requires companies to work out their own tax bills as part of their return, and to account for the 'self-assessed' liability to corporation tax.**

### The tax return

The company tax return (CT600) has to be accompanied by accounts and computations, which form part of the return. The return has certain supplementary pages, and some companies have to include extra information such as international interests and loans to shareholders.

### Failure to file on time

An automatic penalty of £100 will be imposed if you file your return more than twelve months after the end of the accounting period. This rises to £200 if the failure to file continues beyond a further three months.

In the absence of a return, HM Revenue & Customs (HMRC) may make a determination of the tax to the best of its information and belief. No appeal can be made and the tax must be paid. The determination can be displaced only by filing a completed return and self assessment.

### Amending returns

A company has up to twelve months from the statutory filing date to amend its return. HMRC can correct obvious errors or omissions no more than nine months after the filing date.

### Enquiries

Enquiries are subject to rules similar to those applying to income tax. If HMRC does not start an enquiry within the prescribed time (normally one year from the date the return is filed), the company's self assessment becomes final.

### Keeping records

The Companies Act already requires registered companies to keep accounting records. For most companies in most situations, this is enough to satisfy HMRC record keeping requirements, so long as they are kept for six years from the end of the accounting period.

### Corporation tax payments

There are arrangements under which a company with taxable profits over £1.5 million pays its corporation tax by instalments. Most companies are too small to be affected, so will carry on paying their tax in one sum nine months and one day after the end of the accounting period.

### Interest

Interest will automatically be payable on late paid tax and penalties, or receivable on overpayments of tax.

Please contact us if you would like further advice on this subject.