

HMRC waive late filing and late payment penalties

Some positive news for taxpayers as HMRC announces that they will waive self-assessment late filing & late payment penalties for one month.

This announcement will give taxpayers completing their tax return an additional month to file their return & pay any taxes due.

Which tax return is affected?

The announcement applies to the 2020/21 tax return only. It does not apply to any future tax return obligations.

The 2020/21 tax return covers the tax year from 6th April 2020 to 5th April 2021.

Why are HMRC waiving penalties?

The outbreak of the Omicron variant of COVID-19 has meant that some are facing difficulties preparing their self-assessment returns.

HMRC has said that they recognise the pressure faced this year by both self-assessment taxpayers and their agents due to COVID-19.

What do the waivers mean?

The deadline to submit your tax return and pay any tax due remains 31 January 2022.

However, the penalty waivers mean that:

- Taxpayers will not receive a late filing penalty if they submit their tax return online by 28 February 2022.
- Taxpayers will not receive a late payment penalty if they pay their tax in full or set up a pay arrangement by 01 April 2022.

It is important to note that if taxpayers do not meet the above dates, then penalties may be applied by HMRC.

What about interest?

HMRC will still apply interest from 01 February 2022 on any payments not made by the 31 January 2022 deadline.

Therefore, it is still beneficial for taxpayers to pay their tax on time if possible.

HMRC have a late payment interest rate which is currently 2.75%.

Conclusion

Taxpayers are still being encouraged to meet their obligations by 31 January 2022 if possible.

However, the announcement will come as welcome news to those struggling to meet the 31 January 2022 deadline. As this will allow taxpayers an additional month to meet their obligations.

If in doubt, it is best to seek professional advice. Given the fast-approaching deadline, taxpayers looking for additional advice should do so immediately.

The HMRC press release can be viewed via the www.gov.uk website or by clicking on the link below.

<https://www.gov.uk/government/news/hmrc-gives-self-assessment-taxpayers-more-time-to-ease-covid-19-pressures>

For more information, please do not hesitate to [contact us](#).