

HMRC Business Payment Support Service extended

The business payment support service introduced by the government last year is aimed at helping businesses affected by the current economic conditions and who are unable to pay their tax. The service covers most taxes including income tax, corporation tax, VAT, PAYE and national insurance. The aim is to give businesses a streamlined service for arranging to pay their tax bills to a timetable that they can afford. HMRC will not impose additional late payment surcharges on payments included in the "time to pay" arrangement, although interest will continue to be payable until the taxes are settled.

In order to qualify the business must be;

- in genuine difficulty.
- unable to pay their tax on time.
- likely to be able to pay if HMRC allowed them more time.

In the Pre Budget Report on 9 December 2009, the Chancellor announced an extension of the Business Payment Support Service for a further year to 5 April 2011. The Pre Budget Report also introduces a new requirement for businesses to provide an independent review of their needs if they are asking for additional time to pay tax liabilities exceeding £1 million.

Any members interested in taking advantage of these arrangements should visit www.HMRC.gov.uk/payingHMRC/problems for further details on how to contact the service.

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The information contained on these web pages is for general guidance only and is in no way a substitute for seeking professional advice on your specific circumstances.