

Newsletter of 25 November 2006

Firstly this month sees the launch of our website www.sjbtax.co.uk which provides details of services provided and copies of previous newsletters. Please take the opportunity to look at the site and contact me if any queries or comments arise. This also means that my email address has changed to simon.bell@sjbtax.co.uk although the other address will continue for the time being.

This newsletter will be kept short as the Pre-budget Report is due out next month and commentary on aspects relevant to individuals and business will be provided in December. It will then be time to start considering any planning possibilities prior to the end of the tax year taking in to account any changes proposed by the Chancellor.

The benefit charges for the provision of company vans for private use increase substantially from 6 April 2007. Although these changes are probably intended to curb the growing popularity of double cab pick ups used more for social rather than business use all vans are caught. For more details please see the attached article.

There have been various articles in the press in recent months concerning the availability of lifetime mortgages and related risks. However there can be benefits from retaining a mortgage in retirement as the mortgage is offset against the value of an individual's estate for inheritance tax purposes and hence may reduce the inheritance tax due on death. For more details see the attached article that I wrote for a recent issue of Tips & Advice Tax, a fortnightly tips newsletter for more details of the newsletter see www.indicator.co.uk

There was concern earlier in the year when the exemption for provision of computers to employees for private use was withdrawn that a benefit in kind charge could arise. HM Revenue have now provided guidance as to what they regard as insubstantial private use. Where computers are provided for work purposes, a benefit in kind charge should not arise for most incidental private use even where laptops are provided which can be taken home. HMRC guidance makes it clear that where the purpose of providing the computer is business use then any private use should be regarded as insubstantial so that no benefit charge arise. See HMRC's website for further details: <http://www.hmrc.gov.uk/manuals/eimanual/EIM21613.htm>

For those who are interested in tax efficient investments, this year's Venture Capital Trusts have started to be launched. The tax benefits of VCTs include:

- 30% income tax relief on the amount subscribed up to £200,000
- Tax free dividends
- No capital gains on sales of VCT shares by an investor.

If you would like further details of the tax benefits please contact me.

A quick reminder for those that have yet to complete their tax returns that these are due by 31 January 2007 to avoid filing penalties and potential interest charges.

Impending deadlines

30 November 2006

Private companies with 31 January 2006 year-ends should file their accounts at Companies House.

Corporate tax returns for periods ended 30 November 2005 should be filed by concession no penalty is charged if the return is submitted by 7 December 2006.

31 January 2007

Self assessment tax returns should be filed by this date.

For more information or to discuss how the ideas can be applied to your particular situation please contact Simon Bell by phone on 01376 571358 or email simon.bell@sjbtax.co.uk.

This newsletter is written in general terms and therefore cannot be relied on to cover specific situations; applications of the principles set out will depend on the particular circumstances involved and it is recommended that you take professional advice before acting or refraining from acting on any material in the newsletter.

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