

Use these notes to help you fill in the Self-employment (short) pages of your tax return

You should fill in the 'Self-employment (short)' pages if your turnover is less than £81,000 a year (or would have been if you had traded for a full year).

You will need to fill in the 'Self-employment (full)' pages if:

- your business is more complicated or your turnover for the year is £81,000 or more
- you have changed your accounting date
- your taxable self-employed period, known as the basis period, is not the same as your accounting period
- you have adjustment income because you changed your accounting basis
- if your business ceased before 6 April 2015 and overlap relief is due
- you need to adjust any profits chargeable to Class 4 NICs
- you were within the Managing Self-employed Defaulters (MSD) programme during the year

i For information on cash basis and traditional accounting go to, www.hmrc.gov.uk/helpsheet222

Filling in the Self-employment (short) pages

It's important to keep records of your business income and expenses (money received or paid out if you are using cash basis, see **box 8**) and any tax that you paid during the year. You need these to help you fill in your tax return or to answer any questions we might have.

i For more about the records you need to keep, go to www.gov.uk/self-employed-records

If it is not possible for you to tell us your final figures by the filing deadline, include provisional figures **but only fill in boxes 1, 5, 9, 21 or 22, 28 and 31 or 32**. You must also tell us in 'Any other information' on page TR 7 of your tax return why you have used provisional figures and when you expect to give us your final figures. Leave all other boxes blank.

If your income is from letting furnished accommodation in your own home and you want to use the Rent-a-Room scheme, you only fill in boxes 1, 2 to 9, put £4,250 (or £2,125) in box 19 and any balancing charges in box 26.

Do not send any receipts, accounts or paperwork with your tax return, unless we ask for them.

Your name and Unique Taxpayer Reference

If you printed the 'Self-employment (short)' pages from the website, fill in your name and Unique Taxpayer Reference (UTR) in the boxes at the top of the form. Your UTR will be on any letters from us about your Self Assessment.

| | |
|------------|--------------------------------------|
| Your name | Your Unique Taxpayer Reference (UTR) |
| Paul Smith | 1 3 5 7 9 2 4 6 8 0 |

Example of completed name and UTR boxes

Business details

Box 1 Description of business

Tell us what your type of business is in box 1.

If your income is from letting furnished accommodation in your home, your gross receipts (including any balancing charges) are less than £4,250 (or £2,125 if shared) and you want to use the Rent-a-Room scheme, put Rent-a-Room in box 1 and leave the rest of the boxes blank.

If your gross receipts (including any balancing charges) from letting furnished accommodation in your home are more than the £4,250 limit or (£2,125) and you want to use the Rent-a-Room scheme:

- write 'Rent-a-Room' in box 1
- fill in boxes 2 to 8
- put your gross receipts (including services provided) in box 9
- put £4,250 (or £2,125) in box 19
- put any balancing charges in box 26

You can't claim expenses or capital allowances under the Rent-a-Room scheme.

 For more information on the Rent-a-Room scheme, go to www.hmrc.gov.uk/helpsheet223

Box 4 If you are a foster carer or shared lives carer

Only put an 'X' in the box if this applies to you. Helpsheet 236 'Qualifying care relief: Foster carers and shared life carers' will help you fill in the 'Self-employment (short)' pages.

 For more information, go to www.hmrc.gov.uk/helpsheet236

Box 5 If your business started after 5 April 2014, enter the start date

If you started working for yourself between 6 April 2014 and 5 April 2015, put the date you started in box 5.

Box 6 If your business ceased before 6 April 2015, enter the final date of trading

If you stopped working for yourself between 6 April 2014 and 5 April 2015, put the date you stopped in box 6.

If you think overlap relief is due because your accounting date was not 5 April 2015, fill in the 'Self-employment (full)' pages.

Box 7 Date your books or accounts are made up to

It is usual to make your books up to the same date each year. For example, if you made your books up to 5 April 2015, put 05 04 2015 in box 7.

If the date is after 5 April 2015 you must fill in the 'Self-employment (full)' pages.

Box 8 Cash basis

Put an 'X' in box 8, if you used the cash basis.

Cash basis is a simpler way of working out your business profits or losses. You add up all your business income received (your turnover) and take off any allowable expenses paid in your accounting period. **Don't** include money you owe or owed to you at your end of year date.

If you used cash basis last year, use it again this year, unless:

- your total business income for last year was more than twice the VAT threshold (use the VAT threshold rate in place at the end of that tax year) and your total business income for this year is more than the VAT threshold (this can be twice the threshold rate if you claim Universal Credits)
- it no longer suits, for example you want to claim loss relief against your income

Your VAT threshold amount reduces if your accounting period is less than 12 months.

If you leave cash basis, you may need to make a transitional adjustment.

If you are using cash basis for the first time your total business income cannot be more than the VAT threshold (or twice the threshold rate if you claim Universal Credit).

Certain businesses cannot use the cash basis.

 For more information, go to www.hmrc.gov.uk/helpsheet222

Business income

Box 9 Your turnover

If you use traditional accounting basis, put the total amount of money earned by your business before taking off any expenses in box 9. Include:

- all payments – cash, card, cheque or any other method
- fees, tips and commissions
- any payments ‘in kind’ – that is, not paid by cheque or cash – for work done or goods sold
- money owed to you for work already done

If you are using cash basis only include the money you actually received.

If you are a subcontractor, make sure you include the full amount for the accounting period (before any Construction Industry Scheme (CIS) deductions made by contractors).

Box 10 Any other business income not included in box 9

This includes, for example, income from letting part of your business accommodation (not needed in the short term) or payments for the right to cross your land.

Allowable business expenses

Expenses vary from business to business. Allowable expenses include the cost of buying stock, wages, rent, lighting, postage, phone calls and motor costs such as fuel and insurance. Include any adjustment expense if you are changing from cash basis to traditional accounting this year.

 For more information, go to www.hmrc.gov.uk/helpsheet222

Don't include the cost of buying a vehicle or other equipment unless you use the cash basis, where allowable expenses include payments for equipment and vehicles other than cars), depreciation of equipment, your own salary, wages, drawings, National Insurance contributions or the cost of entertaining.

Some expenses are only partly allowable. For example, you can only claim the business part of the cost of using your own car or using a room in your home as your office. Helpsheet 222 ‘How to calculate your taxable profit’ lists allowable business expenses.


If you use the cash basis, you can only claim up to £500 of any payments of interest and other costs for cash borrowings.

Simplified expenses

You can use simplified expenses to work out certain types of allowable business expense. Simplified expenses use flat rates, instead of actual business expenses, to calculate:

- business costs for vehicles
- business use of your home or private use of business premises as a home (not both)

You have to calculate all other expenses in the usual way.

 For a list of the expenses you can claim go to www.hmrc.gov.uk/helpsheet222

Boxes 11 to 20

To help you fill in boxes 11 to 19 use Helpsheet 222, ‘How to calculate your taxable profit’, or add up all your allowable business expenses and put the total in box 20.

If you use cash basis the maximum amount of interest and other costs of cash borrowings that you can put in box 17 is £500.

 For more information, go to www.hmrc.gov.uk/helpsheet222

Net profit or loss

Box 21 Net profit

Add boxes 9 and 10 together. If the total is more than the figure in box 20, put the difference in box 21 and fill in boxes 28 and 31.

Box 22 Net loss

Add boxes 9 and 10 together. If the total is less than the figure in box 20, put the difference in box 22 and fill in box 32.

Tax allowances for vehicles and equipment (capital allowances)

Boxes 23 to 26

You can claim capital allowances for the costs of buying and improving equipment such as:

- vans and cars
- tools and computers
- shelves, furniture and electrical fittings

The type of capital allowance and amount that you can claim will depend on the assets you have and other circumstances, for example, there are special rules for cars.

You cannot claim capital allowances if you are using cash basis. The only **exception** is cars.

If you have previously claimed capital allowances for a car used in your business, you can continue to claim the allowance in boxes 24 to 26. Include any business part of the actual running costs as an allowable expense in box 12. You cannot use flat rates.

If you have never claimed capital allowances for the car, you can choose to use flat rate, or claim capital allowances.

 For more information about capital allowances, go to www.gov.uk/capital-allowances

You may be able to claim these allowances:

- 100% Annual Investment Allowance (AIA) up to £500,000, if you bought equipment (but not cars) during the year
- 100% allowance for energy-saving equipment and cars with low CO₂ emissions (up to 95g/km) – the CO₂ emission threshold for cars was reduced for cars purchased on or after 1 April 2013
- 18% Writing Down Allowance (WDA) – if you spent more than the maximum AIA (£500,000) on equipment, the excess goes into a ‘pool’ – you can claim WDA on the pool and carry forward any amount left over to next year
- 18% WDA for electrical systems and cars with higher CO₂ emissions (over 130g/km) – the CO₂ emission threshold was reduced for cars purchased on or after 6 April 2013

If you use equipment for both business and private purposes, you **must** reduce the allowances you claim by the private use proportion. You must also keep the pool of expenditure on the items you use for private purposes separate from items used wholly for business purposes.

Example

Chris buys tools for £5,000 and a van costing £10,000.

The tools are for business use only. However, Chris uses the van 60% for business and 40% for private motor use, so he must reduce the amount of Annual Investment Allowance (AIA) he claims on the van to reflect his private use. The AIA he can claim for the van is £6,000 (£10,000 less 40% private use).

Chris's total AIA claim is £11,000 (£5,000 for the tools plus £6,000 for the van). After Chris has claimed AIA he will have 2 pools of expenditure, one for the tools and other equipment used wholly for business, and one for the van. The balance in each pool will be nil.

If Chris claimed AIA for items, such as tools or a van, and he later sells (disposes of) those items, he may need to pay back part of his allowance. This is a balancing charge.

 For help with capital allowances and balancing charges, go to www.gov.uk/business-tax/capital-allowances

Calculating your taxable profits

Box 27 Goods and/or services for your own use

If you take goods or stock out of the business, put the normal sale price in box 27.

If you use cash basis only include the disallowable amount (usually the cost). If you put the full cost of expenses in boxes 11 to 19, you will need to include any disallowable amounts in box 27.

Boxes 28 and 31 or 32

Use the Working Sheet below to work out the figures for boxes 28 and 31 or 32.

| | | |
|--|---|---|
| Net profit box 21 or net loss box 22 | A | £ |
| Add | | |
| Balancing charges box 26 | B | £ |
| Goods and services for your own use box 27 | C | £ |
| Total add boxes A, B and C | D | £ |
| Minus | | |
| Capital allowances add boxes 23, 24 and 25 | E | £ |
| Total box D minus box E | F | £ |
| If the amount is positive you have a net profit. Copy to box 28 If the amount is negative you have a net loss. Copy to box 32 | | |
| Minus | | |
| Losses brought forward box 29 - up to the amount in box 28 | G | £ |
| Total box F minus box G | H | £ |
| Add | | |
| Any other business income box 31 | I | £ |
| Total taxable profits add boxes H and I. Copy to box 31 | J | £ |

Losses, Class 4 NICs and CIS deductions

Boxes 33 to 35 Losses

You can claim tax relief for any losses you made. The amount of tax relief you can claim against your income each year is limited to the greater of £50,000 or 25% of your adjusted total income. Use Helpsheet 204, 'Limit on Income Tax reliefs' to work out how much relief you can claim.

If you have already made a claim for your 2014-15 loss, include the loss in boxes 33 to 35 and give us the details in 'Any other information' on page TR 7 of your tax return.

i For information on losses, go to www.hmrc.gov.uk/helpsheet227
For information about the Limit on Income Tax Reliefs, go to www.hmrc.gov.uk/helpsheet204

Box 33 Loss from this tax year set off against other income for 2014-15

Only include a loss for **this tax year** in box 33.

If the loss is more than your income (or your income is nil), put your income amount (or nil) in box 33. You can claim the balance of your loss against any capital gains for 2014-15, or fill in boxes 34 or 35.

Don't fill in box 33 if you are using the cash basis.

Box 34 Loss to be carried back to previous year(s) and set off against income (or capital gains)

You can carry losses back to use against previous years income (or 2013-14 capital gains).

If you fill in box 34, give details of the amount claimed for each year in 'Any other information' on page TR 7 of your tax return.

If you are using cash basis, you can only claim terminal loss relief.

i For more information on terminal loss relief, go to www.hmrc.gov.uk/helpsheet227

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Box 35 Total loss to carry forward after all other set-offs

Carry your unused losses forward to set against any future profits from the same business. If you had any losses from previous years that you have not already used up, include them in box 35.

If you use cash basis and you have not made a claim for terminal loss relief, put your loss in box 35.

Box 36 If you are exempt from paying Class 4 NICs, put 'X' in the box

You don't have to pay Class 4 NICs if you were:

- at or over State Pension age, or under 16 on 6 April 2014, or
- not resident in the UK for tax purposes during 2014–15

Only put an 'X' in the box if you are exempt. Don't fill in box 37.

 For more information, go to www.gov.uk/national-insurance

Box 37 If you have been given a 2014–15 Class 4 NICs deferment certificate

Only put an 'X' in box 37 if you have already asked to defer your NICs and have received a deferment certificate from the National Insurance Contributions and Employer Office.

Box 38 Deductions on payment and deduction statements from contractors

If you are a subcontractor, add up all the deductions made by contractors from 6 April 2014 to 5 April 2015. Use the statements that contractors gave you.

Do not send these with your tax return.

Even if you have already claimed a CIS repayment, put the deductions in box 38. If you have received a refund of CIS deductions, make sure you include it in box 1 'Tax refunded or set off' on page TR 6 of your tax return.

If you put any figures in box 38, check you have included the full amount (before taking off the CIS deductions) for the accounting period in box 9 'Your turnover'.

More help if you need it

If you are unable to go online:

- phone the Self Assessment Orderline on 0300 200 3610 for paper copies of the helpsheets and forms
- phone the Self Assessment Helpline on 0300 200 3310 for help with your tax return

We have a range of services for disabled people. These include guidance in Braille, audio and large print. Most of our forms are also available in large print. Please contact our helplines for more information.

These notes are for guidance only and reflect the position at the time of writing. They do not affect the right of appeal.