

Explanatory Note

Clause 72: Time limit for self assessment tax returns

Summary

1. This measure clarifies the time allowed for making a self-assessment when HMRC has served a notice to file a return.

Details of the clause

Section 1: Time limit for self assessment tax returns

2. Subsection 1 introduces amendments to the Taxes Management Act (TMA) 1970.
3. Subsection 2 introduces a clarification in section 34 TMA 1970 that 'assessment' does not include 'self-assessment'. Section 34 therefore relates to the assessments made by HM Revenue & Customs (HMRC).
4. Subsection 3 introduces a new clause 34A after section 34 TMA 1970.
5. Section 34A sets out the ordinary time limits for self-assessment. That is the calculation of tax due put forward by the taxpayer for a specified tax year.
6. Subsection (1) of section 34A sets out that the normal time limit for self-assessments contained in a return under section 8 or 8A TMA is 4 years after the end of the tax year it relates to.
7. An example would be that the last date you could submit a self-assessment for the tax year 2020/21 would be 4 years after 5 April 2021. That would be 5 April 2025.
8. A taxpayer must make the self-assessment and deliver it to HMRC by that date.
9. Subsection (2) of section 34A sets out two specific instances where the time limits may be longer than 4 years.
10. Subsection (2)(a) of section 34A sets out that when HMRC issues a taxpayer with a notice to file within the 4 year period the taxpayer will always have 3 months to make and deliver their self-assessment.
11. Subsection (2)(b) of section 34A sets out that time limits in relation to self-assessments made in response to determinations by HMRC will not be affected.
12. Subsection 3 of section 34A is a general provision to allow for circumstances when the Taxes Acts allow for a longer period of time to submit a self-assessment, that longer time limit is to apply.
13. Subsection 4 of section 34A states that for self-assessments for the year 2012 to 2013 and

before, customers will have until 5 April 2017 to make and deliver them to HMRC. These are self-assessments where a notice to file has been issued to the customer, that no determination has been made and have not been submitted and processed before (amendments to returns).

14. This section will come into force from Royal Assent.

Background note

15. This measure seeks to make clear the amount of time a customer has to submit a self-assessment. This seeks to create clear boundaries for customers so that they have certainty over their tax affairs and to ensure that the tax system applies fairly to all.
16. If you have any questions about this change, or comments on the legislation, please contact Abigail La Fontaine (email: sa.policy@hmrc.gsi.gov.uk)