

New LITRG guide for the self-employed

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Personal tax

01 August 2019

The Low Incomes Tax Reform Group (LITRG) has recently published a detailed guide to help self-employed individuals and voluntary sector advisers who help the low-income self-employed.

The [100-page guide](#) is intended to supplement existing material in the self-employment section of the [LITRG website](#). The guide is a response to LITRG's concerns that the low-income self-employed do not fully understand their tax position and the interaction with some benefits, and to worries about the impact of reduced guidance and face-to-face help for taxpayers from HMRC.

It explains some of the less common tax rules affecting the self-employed and includes an in-depth case study showing how a newly self-employed taxpayer would prepare their accounts and Self Assessment tax return. Our guide outlines the differences between the tax system and the rules for the self-employed in tax credits and universal credit. It also explains about recent changes such as the trading allowance, as well as signposting to where to get further help and includes a glossary explaining key accounting and tax terms.

The guide is organised into two parts. The first considers the main areas that concern most self-employed people with straightforward tax affairs. It also covers in greater detail more complex areas which may arise, for example, if you are claiming certain state benefits or have additional tax obligations such as registering for the Construction Industry Scheme (CIS). The second part includes general useful information such as advice on contacting HMRC, important tax deadlines and checklists.

The guide was published at the beginning of the current tax year and so far has had over 10,000 visits and received positive feedback from voluntary sector advisers.

We hope that tax agents might also similarly find it useful, for example to help educate clients who are thinking of starting their own business.