



## Business Alert: March (2) 2007

Welcome to Scott-Moncrieff's Business Alert Service, designed to help you keep up-to-date with business and tax legislation. The service provides details of key changes, issues and opportunities, and includes suggested action and links to more information. If you need additional information or have any concerns regarding any of the areas below please contact a member of your client service team at Scott-Moncrieff who will be happy to discuss the implications for your business.

### File your PAYE Return Early

PAYE Online allows businesses to file their PAYE annual returns (form P35) online. All but the smallest businesses must now file online by 19 May. The online system does not normally accept year end returns early, but HMRC has now advised that apart from a systems shut down to update for year end, forms can be filed online from now. The system will not be available between 6 am on 4 April and 6 am on 6 April. Those filing on 7 and 8 April will not receive their acceptance or rejection message until 9 April. Those businesses with finalised payrolls for the current tax year will certainly see benefits in early filing as the system is unlikely to be busy.

### Minimum Wage Rates Proposed

The DTI minister has confirmed that the Government will be adopting the rates recommended by the Low Pay Commission. The increases are as follows:

	<b>New rate</b>	<b>Old rate</b>	<b>Increase</b>	<b>%</b>
<b>Adult rate</b>	£5.52	£5.35	17p	3.2%
<b>18-21yr old</b>	£4.60	£4.45	15p	3.4%
<b>16-17yr old</b>	£3.40	£3.30	10p	3.0%

All of the increases will take effect from 1 October 2007. The Government estimates that over 1 million workers will benefit from the increase.

### New CIS – Payments due on Good Friday

Companies in the building industry face new tax rules from 6 April 2007, which unfortunately falls on Good Friday. Some companies have contacted HMRC to ask for advice about payments which are due to be made on 6 April, but which the companies intend to make early due to the public holiday. HMRC's response is that there are no special arrangements that can be applied in such cases, as the tax treatment of payments under the Construction Industry rules is completely payment driven, so if payments are made early they will be subject to the old rules, and if made on or after 6 April must be subject to the new rules. Contractors will have to consider their best course of action in the light of this response.

We believe the information in this Business Alert to be correct at the time it was sent, but cannot accept any responsibility for any loss occasioned to any person as a result of action or refraining from action as a result of any item herein.

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