

COVID-19

Action to agree deferment of
Tax liabilities

Now, for tomorrow



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For some dealerships, the next VAT return period is 02/20 which is due to be submitted and paid no later than 07/04/2020. Many more have a VAT return quarter of 03/20 which is typically a larger payment than usual due to sale of vehicles with new registration plates. In addition monthly PAYE and NIC payments due now for Month 11 and coming up in the next couple of months will impact cash flow and ability to trade. Our advice is to approach HMRC at the earliest possible stage.

As none of us know how long this crisis will continue, we suggest that you are cautious about how soon you promise that payments can be made – in other words, be ambitious with your request in terms of timescale.

The telephone number for HMRC Coronavirus helpline is 0800 0159 559.

We recommend that you will need the following for the conversation with HMRC:

- VAT, PAYE or UTR number
- The amount of the debt which has or is about to become due
- Be prepared to talk about the number of staff employed and what the payroll costs are for the next 6 months to a year
- What assets, like money in the bank and liquid assets and overdraft facility is available
- What the directors/partners/sole prop are doing personally to support the debt i.e. business loans and funding
- How much you can pay immediately and how long you may need to pay the rest
- Be ready to supply cash flow projections and the importance of supporting business continuity

There is no guarantee that a time to pay arrangement will be granted but it has to be a business continuity remedy that is considered. Usually HMRC will agree 6-9 months, on the proviso that all future returns are submitted and paid.

We have been experiencing very helpful responses from HMRC and offers of a couple of alternatives with agreements to defer for 3 months as 'normal' time to pay arrangements require an undertaking to keep up to date with future payments, which cannot be realistically expected at this stage. If you are seeking to a defer a liability in excess of £500k the helpline will not be able to deal with it immediately, but they will be able to put you in touch with Large Debt Unit to request an urgent call back

We are in uncharted territory and deferring VAT and other taxes is effectively the most immediately available type of government loan, especially for those due to submit a return by April 7th.

We believe that HMRC will be at their most helpful at the start of this crisis. Their sympathy may wear thin as government money dries up so we recommend that dealers apply for time to pay ASAP and before the due date for payment of the next PAYE payment or VAT return i.e. as soon as the liability is known.



We are also aware that the dedicated helpline announced by the Chancellor, for HMRC debts, is struggling to cope. There are some alternative actions and steps to take to protect the position and sort out time to pay (TTP):

- Try the regular TTP number which is 0300 200 3853
- There's also the agent dedicated line for debt management – if you have authorised MacIntyre Hudson as your agent we can contact HMRC on your behalf using a dedicated agent helpline.
- A second alternative is HMRC's Business Payment support services number on 0300 200 3835. It's open from 8am to 8pm Monday to Friday, and from 8am till 4pm at weekends (staff levels permitting).
- If you are completely unable to get through by phone we recommend that you send letters detailing the request and payment plan either to HMRC's written enquiries section or by email to a known contact at HMRC, asking that it is forwarded to the TTP unit. The written enquiries address for VAT is:

HM Revenue and Customs - VAT Written Enquiries
Crown House
Birch Street
Wolverhampton
WV1 4JX
United Kingdom

- Failing all else and as an additional safeguard a written dated and timed record should be made of every attempted call including precisely what the purpose of the call was. This might be useful as a defence against penalties, although we are hopeful that HMRC will be sensible on that front.



Contact us



Steve Freeman
Head of Motor, Partner
M: +44 (0)7795 476 651
E: steve.freeman@mhllp.co.uk



Glyn Edwards
Motor VAT Head, Director
M: +44(0) 7889 537549
E: glyn.edwards@mhllp.co.uk



Nigel Morris
Motor Tax and Human Capital
Head, Director
M: +44(0) 7718 340 634
E: nigel.morris@mhllp.co.uk

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