

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

Fill in the ‘**Self-employment (short)**’ pages if your turnover is less than £82,000 a year (or would have been if you’d traded for a full year).

You’ll need to fill in the ‘**Self-employment (full)**’ pages if:

- your business is more complicated or your turnover for the year is £82,000 or more
- you’ve changed your accounting date
- your taxable self-employed period, known as the basis period, is not the same as your accounting period
- you’ve adjustment income because you changed your accounting basis
- if your business ceased before 6 April 2016 and overlap relief is due
- you need to adjust any profits chargeable to Class 4 NICs
- you were within the Managing Serious Defaulters (MSD) programme during the year

### 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’re using cash basis, see **box 8**) and any tax that you paid during the year. You’ll 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](http://www.gov.uk/self-employed-records)

If it’s 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’ve 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.

**Don’t 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.

If you can’t find it, phone the Self Assessment Helpline on 0300 200 3310 and we’ll send it to you. We can’t tell you your UTR over the phone.

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 you’re a Foster Carer or Shared Lives carer write ‘Qualifying carer’ 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.

**i** For more information on the Rent-a-Room scheme, go to [www.gov.uk](http://www.gov.uk) and search for 'HS223' or [www.gov.uk/renting-out-a-property/paying-tax](http://www.gov.uk/renting-out-a-property/paying-tax)

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

Only put an 'X' in the box if this applies to you. If your qualifying amount is more than your total qualifying care receipts:

- put '0' (zero) in box 31
- do not fill in the rest of form SA103s

If your qualifying care receipts are more than your qualifying amount and you use the simplified method to work out your profit:

- fill in boxes 2 to 8 (if they apply to you)
- put your total receipts in box 9
- put your qualifying amount in box 20
- fill in boxes 21 and 31

Helpsheet 236, 'Qualifying care relief: Foster carers and shared life carers' will help you fill in the 'Self-employment (short)' pages.

**i** For more information, go to [www.gov.uk](http://www.gov.uk) and search for 'HS236'.

#### **Box 5 If your business started after 5 April 2015, enter the start date**

If you started working for yourself between 6 April 2015 and 5 April 2016, put the date you started in box 5.

If you haven't already registered for self-employment and Class 2 National Insurance contributions (NICs), you must do so now.

**i** For more information, go to [www.gov.uk/working-for-yourself](http://www.gov.uk/working-for-yourself)

#### **Box 6 If your business ceased before 6 April 2016, enter the final date of trading**

If you stopped working for yourself between 6 April 2015 and 5 April 2016, put that date in box 6, not your end of year date. Tell us as soon as possible so you don't pay too much tax or Class 2 NICs.

**i** For more information, go to [www.gov.uk/stop-being-self-employed](http://www.gov.uk/stop-being-self-employed)

If you think overlap relief is due because your accounting date was not 5 April 2016, you must fill in the 'Self-employment (full)' pages.

#### **Box 7 Date your books or accounts are made up to**

It's usual to make your books up to the same date each year. For example, if you made your books up to 5 April 2016, put 05 04 2016 in box 7. If the date is after 5 April 2016 you must fill in the 'Self-employment (full)' pages.

#### **Box 8 Cash basis**

Put an 'X' in box 8 if you used 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.

Certain businesses cannot use the cash basis.

**i** For more information, go to [www.gov.uk/simpler-income-tax-cash-basis](http://www.gov.uk/simpler-income-tax-cash-basis)

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

- your total business income (from all your businesses and from partnerships if you are the controlling partner) for last year was more than **twice** the VAT registration threshold in place at 5 April 2015 and your total business income for this year is **more** than the VAT registration threshold (twice the threshold rate if you claim Universal Credits) in place at 5 April 2016
- it no longer suits, for example you want to claim loss relief against your income

You may start to use cash basis this year if:

- this is your first year in business
- you used traditional accounting last year, and your total business income this year is less than the VAT registration threshold in place at the 5 April 2016 (or twice the threshold if you claim Universal Credit).

The VAT threshold amount reduces if your basis period this year is less than 12 months.

If you change basis this year, from cash basis to traditional accounting basis or from traditional accounting to cash basis, you may need to make a transitional adjustment.

**i** For more information, go to [www.gov.uk](http://www.gov.uk) and search for 'HS222'.

## Business income

### Box 9 Your turnover

If you use traditional accounting basis, put the total amount of income 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, goods or services received in exchange for work done or goods sold
- money owed to you for work already done

If you’re using cash basis only include the income received.

If you’re 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 wages, rent, lighting, postage, phone calls and motor costs such as fuel and insurance. Helpsheet 222, ‘How to calculate your taxable profit’, lists allowable business expenses. 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.

The cost of entertaining, depreciation of equipment, your own salary, wages, drawings, National Insurance contributions are not allowable expenses.

### If you use traditional accounting

Don’t include the cost of buying a vehicle or other equipment.

### If you use cash basis

Allowable expenses include payments for equipment and vehicles other than cars. You can only claim up to £500 of any payments of interest and other costs for cash borrowings.


## Simplified expenses

Simplified expenses use flat rates instead of actual business expenses.

You can use simplified expenses to work out:


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

You’ve to calculate all other expenses in the usual way.

 For a list of expenses you can claim and information on simplified expenses and transitional adjustments, go to [www.gov.uk](http://www.gov.uk) and search for ‘HS222’.

### Boxes 11 to 20

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

 For more information, go to [www.gov.uk](http://www.gov.uk) and search for ‘HS222’.

## 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.

### 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.

## 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 your assets and other circumstances, for example, there are special rules for cars.

You can’t claim capital allowances if you are using cash basis. The only **exception** is cars. If you’ve 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 can't use flat rates.

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

**i** For more information about capital allowances, go to [www.gov.uk/capital-allowances](http://www.gov.uk/capital-allowances)

You may be able to claim these allowances:

- 100% Annual Investment Allowance (AIA), if you bought equipment (but not cars) during the year – up to the 31 December 2015 the maximum annual amount of AIA was £500,000 – from 1 January 2016 the maximum annual amount of AIA is £200,000
- 100% allowance for energy-saving equipment and new cars with low CO2 emissions (up to 75g/km)
- 18% Writing Down Allowance (WDA) – if you spent more than the maximum AIA 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
- 8% WDA for certain parts of buildings such as electrical systems and cars with higher CO2 emissions (over 130g/km)

If you use equipment for both business and private purposes, you **must** reduce the allowances you claim by the private use proportion. You must keep a separate pool of expenditure for each of the items you use for private 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 motoring so he must reduce the amount of Annual Investment Allowance (AIA) he claims on the van to reflect his private use. He has 2 pools, one for the van (because of his private use of it) and one for the tools (used wholly for business). 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 he has claimed AIA he will have 2 pools of expenditure. 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.

**i** For help with capital allowances and balancing charges, go to [www.gov.uk/business-tax/capital-allowances](http://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 and you use traditional accounting, put the normal sale price in box 27.

If you use cash basis, put the disallowable amount (usually the cost) of the goods or stock in box 27.

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	<b>A</b>	£
<b>Add</b>		
Balancing charges box 26	<b>B</b>	£
Goods and services for your own use box 27	<b>C</b>	£
<b>Total add boxes A, B and C</b>	<b>D</b>	£
<b>Minus</b>		
Capital allowances add boxes 23, 24 and 25	<b>E</b>	£
<b>Total box D minus box E</b>	<b>F</b>	£
If the amount is positive you've a net profit. Copy to box 28		
If the amount is negative you've a net loss. Copy to box 32		
<b>Minus</b>		
Losses brought forward box 29 - up to the amount in box 28	<b>G</b>	£
<b>Total box F minus box G</b>	<b>H</b>	£
<b>Add</b>		
Any other business income box 30	<b>I</b>	£
<b>Total taxable profits add boxes H and I. Copy to box 31</b>	<b>J</b>	£

## Losses, Class 2 and 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 claim against your income may be restricted or limited. If you've already made a claim for your 2015–16 loss, include the loss in boxes 33 or 34 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.gov.uk](http://www.gov.uk) and search for 'HS227'.  
For information about the Limit on Income Tax Reliefs, go to [www.gov.uk](http://www.gov.uk) and search for 'HS204'.

### Box 33 Loss from this tax year set off against other income for 2015–16

Only include a loss for this tax year in box 33. If the loss is more than your other income (or your income is nil), put your other income amount (or nil) in box 33. You can claim the balance of your loss against any capital gains for 2015–16, or fill in box 34 or 35.

Don't fill in box 33 if you're 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:

- income for the 2014 to 2015 tax year – if your loss is more than the income you can use the remaining loss against 2014 to 2015 capital gains.

Don't make this claim if you use cash basis

- income in the 3 previous years – start with the earliest year – only make this claim if your business began after 5 April 2012.

Don't make this claim if you use cash basis

- profits of this business in the 2015 to 2016 tax year and in the 3 previous tax years. Start with the latest tax year. Only make this claim if your business ceased this year. The losses you can claim are the losses made in the last 12 months of trade

If you use cash basis, the only claim you can make is for terminal loss relief.

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.

**i** For more information on terminal loss relief, go to [www.gov.uk](http://www.gov.uk) and search for 'HS227'.

### 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. Include losses from previous years that you've not already used up in box 35.

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

### Box 36 If your total profits for 2015–16 are less than £5,965 and you choose to pay Class 2 NICs voluntarily, put 'X' in the box

If your taxable profits are £5,965 or more, you pay Class 2 NICs (£2.80 a week). If your profits are less than £5,965 or you made a loss, you can pay Class 2 NICs voluntarily to protect your State Pension and certain benefits.

If you're employed and self-employed, you may be able to pay a lower amount of Class 2 NICs depending on the amount of National Insurance you pay from your wages.

**i** For more information, go to [www.gov.uk/national-insurance/how-much-you-pay](http://www.gov.uk/national-insurance/how-much-you-pay)

Put an 'X' in box 36 if you want to pay Class 2 NICs voluntarily. You can't change your mind after you pay your bill.

**i** For more information, go to [www.gov.uk/voluntary-national-insurance-contributions](http://www.gov.uk/voluntary-national-insurance-contributions)  
For information on Universal Credit, go to [www.gov.uk/national-insurance-credits](http://www.gov.uk/national-insurance-credits)

### Box 37 If you are exempted 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 2015
- not resident in the UK for tax purposes during the 2015 to 2016 tax year

Only put an 'X' in the box if you're exempted.

**i** For more information, go to [www.gov.uk/national-insurance](http://www.gov.uk/national-insurance)

### **Box 38 Total Construction Industry Scheme (CIS) deductions taken from your payments by contractors**

If you're a subcontractor, add up all the deductions made by contractors from 6 April 2015 to 5 April 2016. Use the statements that contractors gave you.

#### **Don't send these with your tax return.**

Even if you've already claimed a CIS repayment, put the deductions in box 38. If you've 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've 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're 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.