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MONEY BOX LIVE

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LEWIS: Hello. Tax needn't be taxing if you listen to Money Box Live - with barely three weeks left to get your tax affairs sorted out if you have to submit a self-assessment return, and of course by now you have to do it online. Things always get very busy as the January 31st deadline approaches, so today is your chance to ask any questions you want about tax. And not of course just about self-assessment. We know the Revenue makes lots of mistakes about PAYE, taxation of pensions, age allowances for those aged 65 or more. And we know that tax allowances are being frozen next tax year and that could mean more people paying tax and more paying it at higher rates. And of course April will see the introduction of the highest rate of income tax of 50% for those with incomes above £150,000 a year, and a new effective rate strangely of 60% for people with an income just over £100,000 a year. Dream on, I'm sure you're thinking. With the rise in the inheritance tax threshold cancelled and house prices rising, there may be more concerns about that tax being due. Whatever your question about tax of any sort, my three top guests can deal with it. You can call Money Box Live now - 03700 100 444. And those guests are John Whiting who is Tax Policy Director at the Chartered Institute of Taxation; Jane Moore of the Tax Faculty at the Institute of Chartered Accountants in England and Wales; and Chas Roy-Chowdhury, Head of Taxation at the Association of Chartered Certified Accountants. And the first question is from Dan in Birmingham. Dan, your question?

DAN: Hello. Good afternoon.

LEWIS: Hello.

DAN: I bought a personal computer in the tax year for which I'm about to complete a tax return, and was wondering if I can offset at least a percentage of this against my tax bill? I have some PAYE income. I'm a doctor. I also have a small amount of rental income from a property I rent out and a small amount of other income from a small amount of locum work and cremation forms, that sort of thing.

LEWIS: Right, so you're a complete mixture of employee, landlord and self-employed, Dan?

DAN: Yes.

LEWIS: So slightly complicated. John Whiting?

WHITING: The short answer is, yes, you should be able to take some of the cost down. I mean the acid test has to be how much of the work done on this PC is really for business, your self-employment, or indeed for your employment? Are you going to say it's absolutely the whole ...

DAN: No, I'd say 50% use is home use and 50% is for work. I can't really do what I do as a hospital doctor and completing exams and work and presentations and all the other stuff that's needed, I can't really do that without access to a home computer.

WHITING: Yes, so you could say that it *is* for work. You're probably better off claiming it as part of the self-employment because of course on employment the Revenue's general stance is if it's a item needed for work, then your employer (who may indeed be your practice) ought to be providing it for you. But I think there is certainly scope for claiming at least the proportion, the work proportion there.

DAN: Okay, that's great.

LEWIS: Chas?

ROY-CHOWDHURY: Yes, that's right. I think exactly what John says. If you're using 50% for work purposes, then claim 50% of the cost of the computer and you know just don't over-egg it. Just be very careful in that respect.

LEWIS: We've had a number of emails and calls about this, I must say. Thanks very much for yours, Dan. I'm sure a lot of people are puzzling about it. We've had this one from Richard who says, 'to what extent can I include domestic costs in my self-assessment?' Works from home two days a week - a room in his two bedroom flat which is purely a study. He's a self-employed writer for two days and three days a week he's an employee. Jane Moore?

MOORE: You can claim a part of your home for that. It's a question of working out what's a reasonable proportion. So if you use one of the rooms just for writing and you do it two days a week, then you might take a third and then two segments for the two days that you use it for. Whatever you do, make sure it looks sensible. Don't over- egg it, as Chas said about the last question, and explain what you've done when you fill in your tax return.

LEWIS: So explain it to the Revenue?

MOORE: Yes.

LEWIS: John Whiting?

WHITING: A very important thing here is ... I mean I think the question you're raising, Paul, is somebody who's self-employed. Nowadays we're getting more and more people who are employed but work at home for part of the time for their choice, and then you're into a very different ball game because it's far more their choice to work at home. Much more difficult to claim a proportion, although you may be able to get some costs. It's got to be really *required* that you work at home?

LEWIS: So you can't just say it's a long journey, it's easier to work at home one day a week, I've got kids, or whatever it is? It's only if you're *made* to work at home for some reason?

WHITING: Yes.

MOORE: It needs to be part of your contract of employment to work at home, which is what I do actually, and you can claim ...

WHITING: Right and it's in your contract that that is where you are based.

MOORE: Well I'm a tax expert, John. Of course it's in my contract. (*laughter*)

LEWIS: Well we were sure you'd get it sorted out, Jane. And Chas, just explain. If you are purely self-employed, whether it's for two days a week or the whole week, how do you work out the proportion? Is it just one room out of three rooms? Do you count kitchens, bathrooms, toilets, cupboards under the stairs? What do you count?

ROY-CHOWDHURY: Well I think, as Jane says, disclose the way you do it. Be sensible. Say you've got three rooms - it's a flat, two bedroom flat, a lounge, diner. I'd say that's three rooms. I wouldn't include bathrooms, etcetera. So you'd take one third as being where you do your work, but that's only for two sevenths of the week. So that the way you'd work it out.

LEWIS: In this case it is, yes.

ROY-CHOWDHURY: In this case. If you worked there full-time, you might work there seven days a week, then there'd be a full one third deduction for the bills that you can take against as your income from your business as expenses.

LEWIS: But if you use one room permanently for your business, John, do you run a capital gains tax problem when you sell the property?

WHITING: If you really have got it allocated out you know ...

LEWIS: (*over*) You do nothing else there.

WHITING: ... metaphorically or literally you have your name plate up there, then that could count as business premises. Normally it doesn't arise simply because when it comes to the crunch people don't use even the study or whatever it is exclusively. It is a bit of flexibility they use them - their hobbies in there or whatever. But in extremis, of course, if you've cordoned off part of your house as business premises - capital gains and one might almost say business rates as well. And don't forget insurance and lots of other implications.

LEWIS: Quite. So it's better to have it as sort of the back bedroom that you use 99% of the time.

WHITING: Normally we are talking exactly that, Paul.

LEWIS: Okay, another self-assessment question I think from Wendy in Wellington Heath. Wendy, your question?

WENDY: Hello, good afternoon.

LEWIS: What's your question?

WENDY: I filled in a self-assessment form for the first time this past few months. I received notification from the Inland Revenue that I owed them an amount of money, which I understood. I then had a second letter telling me 'you owe us nothing' and I don't know whether to investigate why they changed their mind or whether to just leave it and hope that their second statement to me was correct.

LEWIS: Well, yes I'm sure that's what you hope. What's the rule here, Jane?

MOORE: Well it's not that unusual for this to happen, I'm sorry to say.

LEWIS: You're not saying the Revenue makes mistakes from time to time?

MOORE: It does happen. First of all, do you know how they've worked it out? Have they sent you a calculation which explains the figure?

WENDY: Not that I can completely understand, no.

MOORE: Right. I think that's your starting point and see if they can explain it to you if it's not clear to you how they've worked it out.

WENDY: Yes.

MOORE: You can't just sort of keep schtum and hope it'll be okay ...

WENDY: *(laughs)* I see.

MOORE: ... because you do have an obligation to tell the Revenue if you know there's an error there that they've made.

WENDY: I see, right.

MOORE: So you do need to check it out.

LEWIS: Are these two letters from the same tax office, Wendy?

WENDY: Yes they are, yes.

LEWIS: I really think it's worth just making a call, Chas, and just getting them to clarify things?

ROY-CHOWDHURY: Yes, well that's right. I think you should definitely call the Revenue and find out where the difference has occurred, why they've changed their minds. And it is your responsibility, as Jane says, at the end of the day to pay the right amount of tax.

WENDY: I see.

LEWIS: So don't just sort of sweep it under the carpet and think that's fine. As you contact the Revenue, be proactive about it.

WENDY: I will.

LEWIS: Okay, thanks very much for your call, Wendy.

WENDY: Thank you, thank you.

LEWIS: And I'm just going to do an email, but I'm not going to tell you who it's from because he's asked me not to. He says, 'Don't use my name. For various reasons, mainly fear and confusion, I still haven't submitted *last* year's self-assessment form, but I really do want to get myself straight. How should I go about addressing the problem?' John?

WHITING: I mean the only real answer to that is get on and submit it.

LEWIS: Confess. Fess up, as they say.

WHITING: Confess because it's only going to get worse. I mean, as you've said already in the last few minutes, Paul, we're approaching the deadline for the current, well for the most recent tax year, so better get on and submit. And if this is somebody who for example is completely fearful about how much he owes or has cash flow problems or whatever, there is an enormous amount to be said for trying to go in, if you can find an open HMRC office - to go in, sort it out. Try and say look, I've got

these problems, let's be honest. And, believe it or not, they will be very sympathetic. They'll want you to get straight.

LEWIS: *(over)* But you'll have to pay them money though, won't you?

WHITING: Oh yes, and potentially interest and penalties.

LEWIS: In his case, he will have a penalty because he didn't do last year's form. And if he's a paper based person, he hasn't done this year's form in time either ...

WHITING: Indeed.

LEWIS: ... so that's at least 100 quid a time, isn't it?

WHITING: He's logging up the £100 penalties. And if he's into self-assessment, one assumes there's lots of other income that he's got to pay tax on as well - be it self-employment, rentals or whatever. So he's got a problem, but please don't be an ostrich. I'm afraid this is one to ...

LEWIS: *(over)* The longer you leave it, the worse it gets.

WHITING: Indeed.

LEWIS: Chas?

ROY-CHOWDHURY: I think that's absolutely right. Anything to do with tax, just don't bury your head in the sand. Or it could be a situation where he actually doesn't owe tax, in which case he needs to quickly fill out the forms for last year and this year and just sort that out, in which case the penalty could be extinguished.

WHITING: Fair comment. I mean it could have been deducting all under PAYE ...

LEWIS: *(over)* Yes because of course I said the penalty's £100; but it's £100 or the tax, whichever is the less. So if you don't owe anything, you don't have to pay a penalty.

ROY-CHOWDHURY: So you know enlighten yourself what the situation is and go and sort it out.

WHITING: And I think, I mean sad to say, we've found a number of people - putting our Low Incomes Tax Reform Group hats on that Jane and I both have - we've found a number of people coming there or through Tax Help For Older People who have been getting forms and in fact don't owe anything because they are basically on low income. They're involved affairs. And actually once you cut through it, you can actually get them some money back. So there's every sort of reason to get it sorted out.

LEWIS: Edward emails, just in. 'Just listening to your programme. Your advice should be consult a tax accountant.' Well I suppose it should be, though many people are afraid of the cost, Jane, aren't they?

MOORE: Yes they are and although we're very keen for people to use accountants, I wouldn't say that everybody has to. People may be able to do their own tax. The thing is knowing when you need help really.

LEWIS: And of course the whole self-assessment system is based round the fact that you can do it yourself and don't need an accountant unless your affairs are complex.

MOORE: Yes.

LEWIS: We'll move on now. Rod is calling us from Calthorpe. Rod, your question?

ROD: Yes, I'm a self-employed person and, like many self-employed people, I do lots of different sorts of employment really. They're all related to each other, so the

calculation at the end of the year takes everything into account, but some of my work is as a writer at home, sometimes I work as an education consultant. But also I do visiting tutoring work at two universities, I sample work for an exam board and so on. Now a few years ago a system was introduced where once you pay your tax bill, you also have to pay money upfront which is held on account for the tax that you're *likely* to pay in the coming year.

LEWIS: So although - if I could just interrupt - although you're self-employed, you're actually paying tax ... the tax is deducted from your money before you get it?

ROD: Ah! Now that was my point because some of it, increasingly now the universities and people like that, you're paying tax PAYE. So it seems to me I'm putting money upfront on account based on the tax I paid, but I'm also paying it upfront on a lot of the PAYE.

LEWIS: When you say "tax upfront", you mean when you fill in your self-assessment form, you're paying for the year ahead. John Whiting?

WHITING: There's a number of angles here. For somebody who's self-employed, they of course have to pay (as I suspect Rod has done) three tranches. So coming up to 31st January for your tax return, but you'll be paying your last payment for last year.

ROD: That's right.

WHITING: Your payment on account, your first one for this year. And so it flows. So that's the main chunk. But one thing the Revenue have been doing in recent years is to try and get in more income and they've been particularly interested in the university education sector - into the employment capture, if you like, into the PAYE net. And so you will probably find more of your income slipping into that.

ROD: That's right.

WHITING: It may cause you to be able to pay less through the self-assessment proper and, therefore, the payments on account.

LEWIS: But that's a problem, isn't it, because you then have to make some sort of declaration that you're paying less than the assessment because your income's going down.

MOORE: *(over)* Yes, but you shouldn't end up paying twice though. You should either pay it through Pay As You Earn, or you should pay the payments on account. And it's worth noting that you can reduce your payments on account actually. If you have a look at what your bill's likely to be, you can ask to pay less if it was being taken by tax for PAYE.

LEWIS: Yes. And it's not only that, is it, because we've had a very difficult economic situation for the last couple of years? Many self-employed people will be earning a lot less and yet will be being taxed in effect on what their income was before the crisis ...

WHITING: Exactly.

ROD: Yes, I know that one as well. *(laughter)*

WHITING: I mean I just happen to have about my person ...

LEWIS: You have a self-assessment form with you. Yes, I thought you might.

WHITING: I thought this one might well come up, exactly this - reducing the payments on account - because people like Rod and many others will be asked to pay payments on account based on previous years, automatic. There is a very simple form, an SA303, and Paul will certify. It's a single sheet, one page. Just says, 'I want to reduce my payments on account' and I think a lot of people should be doing that for the payments that are due in a couple of weeks time.

LEWIS: I think a form headed 'I want to reduce my tax' is going to be extremely popular.

WHITING: Should be popular, a best seller. (*laughter*)

MOORE: I think so.

LEWIS: Okay, well thanks Rod.

MOORE: Just worth saying that you shouldn't just reduce it to nil in order to help your cash flow ...

WHITING: No, no.

MOORE: ... because the Revenue can charge you a penalty. (*laughter*)

LEWIS: Yeah. I mean you should reduce it to what you think it will be because if you reduce it too much, you'll end up paying interest on the tax you should have paid. Is that right?

MOORE: Yes.

WHITING: And there can be a penalty.

LEWIS: Thanks very much, Rod, for your question. And we're moving onto Taunton now to talk to Yvonne. Yvonne, your question?

YVONNE: Oh hello. Personal allowances, which are given to everyone before they start paying tax. What I wanted to know was is it the same for everyone however old they are or what disability? I'm for example registered blind.

LEWIS: Well it's the same for everyone under a certain age, but it's not the same for

everyone, no. Jane?

MOORE: No. There are two things really in your question. First of all, if you're over 65, you will get an age allowance, a higher amount of allowance ...

YVONNE: And what is it?

MOORE: *(over)* And also there is a special ... I beg your pardon, Yvonne. What did you say?

YVONNE: I was just asking what is it because I don't know?

MOORE: It's £9,490 for people aged 65 to 74 at the moment.

YVONNE: I see.

LEWIS: That's what you can have before you start paying tax. But of course that's reduced if your income's above about £22,900.

MOORE: That's right. And if you're blind, there is actually a special allowance called the blind person's allowance, surprisingly enough, which at the moment is £1,890, and you can claim that if you're registered blind.

YVONNE: On top of the £9...

MOORE: On top of the other one, yes.

YVONNE: Ah!

LEWIS: And you haven't been claiming that, Yvonne?

YVONNE: Well no.

LEWIS: And have you been blind for many years? Have you always been blind?

YVONNE: Well no, just in the last two or three years.

LEWIS: Well you can certainly go back and claim that backdated, John.

WHITING: Yes you can.

YVONNE: Oh right, thank you.

WHITING: Yes indeed. And you should be able to claim or obviously get some help if you need it in claiming back. And at the moment you can still ...

YVONNE: But you said that it depended on the rest of the money I was getting in as salary. £22,000 you said or something.

MOORE: (*over*) No, that one doesn't, does it? No, that one doesn't.

LEWIS: No, the blind allowance doesn't depend on your income. That goes to everybody. If you're over 65, there is a higher allowance, but once your income goes above £22,900 they begin to take it away until it falls down to the normal level. But that depends just on your total income.

WHITING: I would encourage you to investigate the blind person's allowance obviously. You may need help in which case you should be able to phone one of the Revenue's helplines and they will guide you through it. Or phone somebody like Tax Help for Older People to get some assistance.

LEWIS: Yes. And the links to Tax Help For Older People will be on our website, and our website is bbc.co.uk/moneybox. Thanks very much for your call, Yvonne. A lot of

people I'm sure don't claim all the allowances they're entitled to. And that applies to people who are registered blind, but (I think I'm right) not partially sighted.

MOORE: Not partially sighted.

LEWIS: And in Scotland, it's slightly different because you don't register as blind. It's a different system.

MOORE: No, but there's an equivalent.

LEWIS: There's an equivalent thing. Thank you very much for your call, Yvonne. And we're moving to Surrey now to talk to Anthony. Your question, Anthony?

ANTHONY: Hello. I purchased last year a vehicle, a van for work, and I was told by the salesman I could write it off over 3 years you know by capital allowances. Was he right or wrong?

LEWIS: Right, well do you go to a van salesman for your tax advice? John Whiting?

WHITING: No. (*laughter*) Short answer, with great respect to that profession, please come to a tax adviser.

LEWIS: But is there a system like this to write off a van over 3 years?

WHITING: (*sighs*) The short answer ... I mean dare I ask what the cost of the van was, Anthony?

ANTHONY: Well it was about £12,000, £13,000, but the ...

WHITING: And you've a self-employed business of your own?

ANTHONY: That's it, yeah. And he said it was Gordon Brown's way of bumping up

the sales, this, that and the other of motor vehicles.

WHITING: The simple answer is something like this, which you're using for your business, there is an allowance. Capital allowance is the jargon. And for a small business, buying for under £25,000 worth of new plant and machinery, which is what vans count as, you can get the whole of the cost written off in one year.

LEWIS: That started when though? That's quite a new thing, isn't it?

WHITING: That started 18 ... just under 2 years ago.

ROY-CHOWDHURY: Two years ago. So you get a 100% deduction, which is even better than the salesman said.

LEWIS: Yes. So you could write off the whole amount in the year you spend it if your total capital allowances, your total capital spending on your business is less than £25,000. *Editor's note: Most companies and unincorporated organisations can claim an Annual Investment Allowance for expenditure of up to £50,000 a year. Information can be found at <http://www.hmrc.gov.uk/ct/forms-rates/claims/capital-allowance.htm>*

ANTHONY: Oh that's brilliant.

LEWIS: And, again, I mean because there's quite a lot of money involved here, it probably is worth going to an accountant and checking ...

WHITING: Well it's a relatively simple thing, but I mean if he's in any doubt then any accountant, tax adviser should be able to assist on this. But the nub of this is if you've bought this, Anthony - and I stress bought, I mean we're not talking about one that you've rented, leased or whatever ...

ANTHONY: No, no.

WHITING: ... then the capital cost is deductible in one lump - you know assuming you haven't gone out and bought a load of other plant because the whole lot's got to be under the £25,000. One go against your income.

LEWIS: And, Jane, people are afraid about the cost of accountants sometimes. Is the way to do it ... *(laughter)* You're all laughing, but you know it's true. Is it the way to do it to do it yourself and then you can go to an accountant and perhaps pay them for an hour's work, which isn't going to cost that much, just to make sure you've got things right rather than saying I've got an accountant and give him or her everything?

MOORE: Well I think that's one way of doing it. And also when you do employ an adviser, you need to find out upfront what their costs are likely to be and not just wait for the bill and then be ...

LEWIS: Shocked.

MOORE: ... worried about it. And discuss with your accountant ways that you can do some of the legwork and then they can do the technical bit.

WHITING: A lot of it is just have a bit of a health check, particularly when you're starting in business - am I keeping the right sort of records, what do I need to keep?

LEWIS: We actually had an email, which I can't lay my hands on, but let me just remember it from someone who had started up, Chas, and they said, 'I had a lot of start-up costs, buying things and sorting things out before I was actually technically in business. Can I offset those against my tax?'

ROY-CHOWDHURY: Well quite possibly, yes, but we'd need a breakdown of what those expenses were. But just carrying on from what Jane said, in terms of taking the sting out of the fees from an accountant, you'll quite often get a free consultation with

most accountants. Actually show them examples of your type of tax returns you've had in the past. Get some of the books and records ready for yourself, have the invoices ready and the bank statements ready, and I think that'll save you costs overall. I think also, going back to the previous caller about the van, there may be deductions which an individual may be entitled to who's in business, which they aren't fully taking - so it may pay off a lot of the costs they incur in terms of fees to go to an accountant to just make sure you are getting all the deductions you're entitled to.

LEWIS: Okay, well thanks very much for your call, Anthony. And I'll just take a couple of emails now. This again is someone who doesn't want us to use their name at the moment. Her husband hasn't completed his tax return, but he's in hospital and likely to be there for several weeks. She's no idea how to fill in his return. Is there any exemption for people who are ill in hospital, Jane?

MOORE: Yes if your return's late, you can actually claim a reasonable excuse, and being ill and unable to do it ...

LEWIS: In hospital particularly, I suppose.

MOORE: ... and unexpectedly might well be one. The thing to do is to speak to the Revenue now rather than wait until after the deadline and explain what's happening.

LEWIS: Right, so she should use the phone number on the return and contact them and make sure that's alright.

MOORE: Yes, she should.

LEWIS: I'll take another couple of emails. We've had a couple on this subject, which is something completely different from what many people are ringing about. Both of these people - Steve and also another caller, Jane - they rented out ... They've sold their house. They couldn't ... Sorry, they haven't sold their house. They've bought a

house. They couldn't sell their first home. They've rented it out and they want to know when they finally do sell it, will they be liable for capital gains tax? John?

WHITING: In principle, they are at risk of capital gains tax, but they've lived in it for a long time. I mean what could typically happen is they've lived in it for ten years and it takes them two years to sell the other house. So in principle, you'd say two twelfths of the gain was taxable. However, there is this probably pretty well known exemption that the last 3 years of ownership ...

LEWIS: The last 3 years.

WHITING: Indeed ... is CGT free if it's been your main residence, so they're okay.

LEWIS: So if you sell it within 3 years, you've no need to worry?

WHITING: If for the sake of argument it's gone out to 5 years, then you are into a proportion that is taxable, but even then there's a letting exemption which can very often wipe out a gain on a house that has been your main residence for a period.

LEWIS: Right. Given that that is very complicated. CGT is ...

WHITING: I'm afraid that CGT ...

LEWIS: (*laughing*) That is a subject to get an accountant to help you with.

WHITING: ... is one area where a tax adviser can still very much be worth their money.

LEWIS: Yes because you're talking about potentially a lot of money and a tax adviser will cost you a relatively small amount compared to that.

WHITING: Well, dare I say it, it's inordinately complex.

LEWIS: Okay, let's move on ... Chas, very briefly if you would?

ROY-CHOWDHURY: Yeah, very briefly. I'd just add that any rental they're getting from this property is going to be taxable, but they can deduct the interest that they're suffering on any mortgages against that.

LEWIS: So if they've still got a mortgage. Okay. Caroline is calling from Oxford now. What's your question, Caroline?

CAROLINE: I'm currently on maternity leave. I'm in the ninth month, so my maternity pay is about to run out. But when I've gone back into work on the odd occasion to do a keeping in touch day, which you're allowed ten of during maternity leave, I've noticed when I get my payslip that I'm being taxed on those days at the normal top rate as I would have been you know when I was earning my salary, and I just wondered if I should have contacted the Revenue or got my tax code changed or anything like that?

LEWIS: Right, Jane?

MOORE: Well if you're on Pay As You Earn, you ought to have a tax code which is cumulative. That is it gives you your allowance as you go along for the year as a whole. So you ought to be paying tax at the right rate for the year as a whole.

CAROLINE: Well I had one full month of salary in the tax year ...

MOORE: Right.

CAROLINE: ... and the proportion of salary that I was losing then, I'm still losing now; whereas you know my total income for the year would be well under the limit.

WHITING: *(over)* I think the thing to do is look at the payslip and make sure your tax code is there, that it is saying something like 647L as your tax code and not BR or

some sort of strange combination that says tax normally because, as Jane says, PAYE ought to be getting this right.

LEWIS: And there is always ...

CAROLINE: *(over)* Right, so it ought to sort itself out by the end of the ...

WHITING: It should sort itself out. But, like we've said to one or two callers, I'm afraid you're expected to take an enlightened self-interest in this, which you are doing by calling Money Box.

LEWIS: Well calling Money Box and indeed calling the number on the tax code, notice of coding. And PAYE ... The National Audit Office has complained about errors by the Revenue in PAYE, so it is worth checking.

WHITING: I'm afraid so.

LEWIS: Thanks very much for your call, Caroline. Chantelle is calling us now from Horsham.

CHANTELLE: Hello there. I've just got a quick question about self-assessment because I used to be self-employed about 3 years ago and I've been fully employed and doing PAYE since then. I was a childminder for about 5 or 6 years. And I phoned them when I stopped childminding and said I'm going onto PAYE, and then afterwards I got a self-assessment form through the post. And I phoned and said, "I don't need this because I'm PAYE", and then they charged me £100 for not sending it in. And so I phoned again and they said, "Well it's too late, you have to pay it." And they sent another one through for the following year. And I keep phoning them and saying I don't need this anymore, I'm PAYE, and they keep fining me and I don't know what to do.

LEWIS: Yes, I fear the answer is if you're sent one, you have to fill it in.

MOORE: If you're sent one, you have to fill it in.

LEWIS: Even if you put zero everywhere.

MOORE: If it's obvious that you don't need to do a form in future, then they will take you off the system, self-assessment system, but you must send the form back and get all the loose ends tied up.

LEWIS: And if there was no tax to pay through the self-assessment form, the fine of £100 could be reduced to zero.

MOORE: Should go away.

LEWIS: So it should go away, Chantelle. I think it requires perhaps ...

WHITING: But you have to do something.

MOORE: You have to do something.

WHITING: You can't keep ignoring it. Even if you think you're not supposed to get them, sadly you've got 'em.

LEWIS: Rob. Very, very briefly if you could Rob from Ashford.

ROB: Hello. My query concerns ... I was made redundant in November last year after almost 3 years work and I just wonder where I stand in terms of any potential rebate?

LEWIS: Right, John?

WHITING: You will be due some more PAYE rebate because you won't have had your full tax allowance for the year. Sometimes ...

LEWIS: *(over)* Because PAYE assumes you'll be working the whole year, doesn't it?

WHITING: Exactly. So sometimes the Revenue can be persuaded to give you some in advance, but the chances are this is something to sort out at the year end.

LEWIS: Right, so wait for the year end, Rob, and contact your tax office if you know what that is.

WHITING: Yes, if you don't already fill in a tax return.

LEWIS: So you should be getting some tax back, but it may not be till the end of the tax year, which is April. It's the end of the tax year you have to sort it out because of course you might get a job before then. Let's hope so. And I'm just going to take very quickly this email we've had in from Sarah who says her husband earns more than £100,000 a year or earns £100,000. How will he be affected by the new tax rates in April? John, you've got ten seconds.

WHITING: He'll start to lose his personal allowance. Once the income goes over £100,000, he loses a pound of allowance for every £2 of income.

LEWIS: So effectively being taxed at 60% on that.

WHITING: 60%.

LEWIS: Thanks for that email, Sarah. I'm going to have to bring it to a close because we're coming up to time. My thanks to John Whiting, Jane Moore and Chas Roy-Chowdhury, and for all your calls and emails that are now pouring in. More about tax from the BBC Action Line - 0800 044 044. Our website, bbc.co.uk/moneybox. Lots of things to do, including a transcript in a few days time. I'm back at noon on Saturday with Money Box and Vincent Duggleby will be back - snow permitting - next Wednesday afternoon to take more of your calls on Money Box Live.