

SELF-EMPLOYED TAX



AT A GLANCE

This leaflet provides important facts and information to assist you to comply with the law as a self-employed individual.

Please note these guidelines are not to be considered as a substitute or an alternative to the Income Tax Act 2010.

Important Dates

31st January – 1st Payment on Account (50% of previous year's tax liability) must be paid.

30th June – 2nd Payment on Account (50% of previous year's tax liability) must be paid.

30th November – Tax Return and accounts must be submitted together with payment of any outstanding tax liability.

Surcharges

If you do not pay any assessment liability or payments on account by their due date, the following surcharges will be imposed:

- 10% of any outstanding liability on the day after the due date.
- 20% 90 days after the first surcharge has accrued.

Penalties

A complete tax return consists of a filled and signed IT1S form, accompanied by accounts. This must reach our offices by no later than 30th November. Late submission or failure to submit a complete return will result in penalties being imposed as follows:

- 1st December** - £ 50.00
- 1st March** - £300.00

If failure continues, further penalties may be incurred.

Please note that penalty payment does not exempt you from having to submit a Tax Return and accounts. A complete return and accounts **MUST** be submitted to avoid incurring further penalties.

Reducing Payments on Account

If you think that your tax liability for the current tax year is going to be less than that of the previous year, you can reduce your Payments on Account by completing a claim to reduce payments on account form (S2). This form can be obtained from our counter or downloaded from our website www.gibraltar.gov.gi/incometax. However, take care when submitting this application, as any tax shortfall is liable to incur surcharges.

How to Self-Assess

You may access our tax calculator on www.gibraltar.gov.gi/incometax to help you establish your tax liability for any tax year. Input your taxable income and your total eligible allowances and the on-line calculator will indicate your tax liability for both the GIBS (Gross Income Based System) and ABS (Allowance Based System), indicating which of the two systems is more beneficial. Please ensure that you use the calculator for the correct tax year.

Bear in mind that any payments on account already made for the tax year in question should be deducted from the total liability due and the balance should be paid when you submit your complete return by no later than 30th November.

Ceased Trading

If you have ceased trading as a self-employed individual please complete a cessation form (S5) which can be obtained from our counter or online at www.gibraltar.gov.gi/incometax

This form should be accompanied by a set of accounts to date of cessation.