

PAY VAT DEFERRED DUE TO CORONAVIRUS

HMRC has issued guidance on paying deferred VAT.

If you deferred VAT between 20 March and 30 June 2020 and still have payments to make, you can:

- / pay the deferred VAT in full on or before 31 March 2021
- / opt into the VAT deferral new payment scheme when it launches in 2021
- / contact HMRC if you need more help to pay

If you want to opt into the new payment scheme:

You cannot opt in yet. The online opt in process will be available in early 2021. You must opt in yourself. Your agent cannot do this for you.

Instead of paying the full amount by the end of March 2021, you can make up to 11 smaller monthly instalments, interest free. All instalments must be paid by the end of March 2022.

The scheme will allow you to:

- / pay your deferred VAT in instalments without adding interest
- / select the number of instalments from 2 to 11 equal monthly payments

To use this scheme you must:

- / still have deferred VAT to pay
- / be up to date with your VAT returns
- / be able to pay the deferred VAT by Direct Debit

If you opt into the scheme, you can still have a time to pay arrangement for other HMRC debts and outstanding tax.

Get ready to opt into the new payment scheme:

Before opting in you must:

- / create your own Government Gateway account if you don't already have one
- / submit any outstanding VAT returns from the last 4 years. You will not be able to join the scheme if you have not done so
- / correct errors on your VAT returns as soon as possible. Corrections received after 31 December 2020 may not show in your deferred VAT balance
- / make sure you know how much you owe, including the amount you originally deferred and how much you may have already paid

You should also:

- / pay what you can as soon as possible to allow HMRC to show the correct deferred VAT balance
- / consider the number of equal instalments you will need, from 2 to 11 months

Please talk to us about helping you with your options.

See: https://www.gov.uk/guidance/deferral-of-vat-payments-due-to-coronavirus-covid-19?utm_source=9431dd8a-ce55-43be-adff-aac5f169c75b&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate