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Businesses warned on late VAT returns

As many as 50,000 businesses that have failed to submit VAT returns will be targeted by HM Revenue and Customs (HMRC) this month with warnings that their tax affairs will be closely scrutinised.

More than 600,000 businesses have to put in VAT returns each month and most do so on time. But in a new campaign some 50,000 will be warned that, from 28 February, their tax affairs will attract greater attention.

The VAT Outstanding Returns campaign is aimed at businesses that have one or more VAT return outstanding, and have been told to submit their returns but have not done so. Some will have received an assessment of VAT for these periods.

These businesses are being given an opportunity to get up to date and pay the tax they owe by 28 February. After that, HMRC will target them and take a much closer look at their tax affairs. By using this campaign to come forward voluntarily, they might receive better terms, as any penalty they pay may be lower than if HMRC comes to them first.

Marian Wilson, Head of HMRC Campaigns, said:

“If HMRC has sent you a VAT return and you have not yet taken any action, this campaign is a reminder to bring your tax affairs up to date. But time is running out.

“After 28 February, if they have not submitted their outstanding VAT returns and paid what they owe, HMRC will use its legal powers to pursue outstanding returns and any VAT that is unpaid. Penalties, or even criminal investigation, could follow. “

People can take part in the campaign by:

- Completing and paying any outstanding VAT returns immediately
- Telling HMRC if they have stopped trading or have changed their business details.

Help is available from HMRC by calling the VAT Helpline on 0845 010 9000. For further help and support about the campaign, customers can visit HMRC's website: www.hmrc.gov.uk/campaigns/vator.htm

Notes for editors

1. A number of schemes are available to ease the administration burden for businesses, for example, cash accounting, annual accounting, the flat rate scheme for small businesses, or payment by an acceptable electronic method through their bank account rather than by cheque. For details call the VAT helpline on 0845 010 9000.
2. Nearly £540 million has been raised by HMRC from campaigns, and a further £137 million from follow-up activity. Campaigns launched so far have targeted offshore investments, medical professionals, plumbers, VAT defaulters, coaches and tutors, electricians, online traders, higher rate taxpayers with outstanding returns, and direct sellers.
3. Follow HMRC on Twitter @HMRCgovuk
4. HMRC's flickr channel www.flickr.com/hmrcgovuk

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