Inland Revenue

Self Assessment — Claim to reduce payments on account

Ignore this form if

- *you do not have to make payments on account, or*
- *you do not want to reduce your payments on account, or*
- *you have already made a claim and do not want to revise it.*

Deadline for making a claim

You can claim to reduce your payments on account at any time up to **31 January after the end of the tax year** concerned.

Example
*Payments on account for the tax year **2003-04** are due on 31 January 2004 and 31 July 2004.*
*You can claim to reduce these at any time up to **31 January 2005**.*

You can claim if you believe that your net Income Tax and Class 4 NICs payable for the tax year will be less than for the previous tax year. This could be because

- you expect your income will be lower, or
- your allowances or reliefs will be higher, or
- more of your income will be taxed at source, for example
  - under PAYE, or
  - by subcontractor deductions, or
  - because more of your income will come from savings, such as taxed interest or company dividends.

Which figures to use

Your two payments on account should add up to the **smaller** of

- your estimate of the total Income Tax and Class 4 NICs due for the tax year of claim *(minus any tax deducted at source)*

  or

- the actual total Income Tax and Class 4 NICs due for the previous tax year *(minus any tax deducted at source).*

How to make your claim

- Tick the appropriate box(es) overleaf.
- Make a reasonable estimate, on the basis of the information you have now, of the net Income Tax and Class 4 NICs that you expect to pay for the tax year of claim. Take into account all your sources of income for the tax year.
- Enter **half** of this estimate in the reduced payment on account box overleaf. This is the amount of each of the two payments on account.

  In arriving at the amounts, you should ignore
  - **Capital Gains Tax, and**
  - **Student Loan repayments payable**

- Please read, sign and date the declaration.

If, before the deadline, you decide you have reduced your payments on account by too little –

Make a revised claim on one of these forms or by writing to your Inland Revenue office.

Check that your 31 January and 31 July amounts add up to your new estimate of the total Income Tax and Class 4 NICs due for the tax year of claim *(minus any tax deducted at source).*

If you pay more than you need to I will credit you with interest.

If, before the deadline, you decide you have reduced your payments on account by too much –

Make a revised claim on one of these forms or by writing to your Inland Revenue office.

Pay the additional amounts in line with your revised estimate.

If you pay less than you need to I will charge you interest.