

## 10 income tax saving tips for this summer...

**1. check your tax code number** - make sure that all the allowances you are entitled to are given in full, and all reliefs are factored into your code. Many incorrect codes are issued, and consequently more tax is paid than is due!



**2. claim the full mileage rate for all 'business miles' which you travel in your own car** - you can claim 40p per mile for the first 10,000 miles per year, and 25p thereafter - if you are reimbursed your mileage costs, you can still claim the difference, which could amount to a substantial tax refund.

**3. make all your donations to charities on the Gift Aid scheme** - not only will the charities benefit by a massive 28%, but you will get higher-rate tax relief on your payments too, if you claim it! You can also make a payment now, before you submit your tax return for the 2008-9 year and treat it as having been paid in the last tax year, to get tax relief in that tax year ... giving rise to a lower tax bill. You can organise your giving and get more information about this by visiting <http://www.charitygiving.co.uk>

**4. use your ISA allowance** - for cash on interest-earning accounts, receive the interest tax-free - and this income is not even declarable to HMRC!

**5. claim all the costs you incur** - these could be subscriptions, insurance, travel, repairs, fees and many other possible costs which might be claimable to reduce your income - employed, self-employed, property income, etc - and thus reduce the tax you have to pay.



**6. if you are a 'borderline higher-rate taxpayer'** - that is, if a small expenses claim, or carried-back charity donation will reduce your income for last year below the threshold for 40% tax, then you will also save the extra tax at 32.5% on dividends, and 20% on interest received too.

**7. making pension contributions will save tax at your highest rate** - and reducing your salary or bonus (so-called 'salary sacrifice') to make a pension contribution can also save national insurance too.

**8. review how you take income from family companies** - a mixture of salary and dividends often results in considerable tax savings.

**9. claim tax credits** - if you are eligible for Child Tax Credit (9 out of 10 parents qualify) or Working Tax Credit, you can claim and start getting paid right away! You can check your eligibility online [here](#)

# SOLOMON'S

INDEPENDENT FINANCIAL ADVICE

**10. use all your family's available allowances** - often one person of a couple is a higher-rate taxpayer, the other is a non-taxpayer, so when you can, make sure that income is arising in the name of the lowest taxpayer!

In many of these situations, you will need to consider taking professional advice before making a claim, or organising your financial affairs differently, to minimise your tax bill, so use a good accountant to help you. There may be a fee, but it will usually be more than paid by the tax savings you can achieve! Getting help with your tax affairs will normally give you peace of mind too.

For more information, or to get in touch with an accountant in your area who can help you, please contact your SOLOMON'S representative.



The author of this article, Keith Colman, is both an accountant with his own practice, and also trustee of The Dove Trust ([www.charitygiving.co.uk](http://www.charitygiving.co.uk)), which specialises in tax-efficient giving to charity. He has over 30 years' experience of helping individuals and business with their taxation affairs, and can be emailed on [keith@dovetrust.com](mailto:keith@dovetrust.com)

**Disclaimer:** The author accepts no responsibility for actions taken as a result of reading this article, without taking further professional advice as to the specific detail of individual and personal situations.

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**doing a charity event this summer?  
create your own fundraising page at [www.charitygiving.co.uk](http://www.charitygiving.co.uk)**