



November 2020

'Tis the season to TRY to be jolly

This time last year when we were writing our Christmas Tax Tips we could never, even in our wildest dreams, have envisaged that 2020 was going to turn out to be the year of a pandemic virus with lockdowns, isolation and the wearing of face masks.

2020 has truly been an “annus horribilis” and for some, sadly a heart-breaking year. We were of course happy to clap and show our support for our essential workers, NHS staff, carers and shop workers without whom life for some would have been even worse. Communities came together and offered help to the elderly and vulnerable with shopping and prescription deliveries. Lots of people met and became friendly with the neighbours they had only ever said hello to.

At Tax Help we found ourselves no longer in the office at Salway Ash but working from home at our kitchen or living room tables, or if lucky, in a study or converted spare bedroom!! As a charity, we were lucky to receive the donation of laptops and with great efficiency we were very quickly up and running to keep our telephone helpline service going. We worried greatly about how we were going to give the face to face help that we normally do at our tax surgeries around the UK or home visits. It has been and still is self-assessment tax return completion time but we have managed to continue to help clients, either by telephone, post, volunteers picking up paperwork, or in a few cases socially distanced meetings. It took a while to get used to working from home but this is now, for the time being (we hope), the new normal!

At this time of year we would normally be reminding you of the looming self-assessment tax deadline of the 31st January 2021 and prompt you to consider if you need to file a tax return to declare untaxed income. However, given the doom and gloom of 2020 we have decided this year to write a more jovial December Tax Tips by giving you some Christmas related “tax trivia” that may make you smile...or perhaps groan depending on your disposition! A bit like Christmas crackers, you either love them or hate them!

So here goes...did you know.....

'Tis the season to ...file your tax return...On Christmas day and Boxing Day 2019.....12,257 people filed their tax returns online, an increase of 9% from 2018. It seems that it's a case that this is the only time people get to do itor they want to escape the family and rubbish TV!

Snowball fight!!..... In a tribunal case in 2014 HMRC accepted that “Snowballs” the marshmallow based cakes were in fact cakes and therefore were zero rated for VAT, joining Jaffa cakes on the zero rated list! They noted that “most people would prefer to sit down when eating a snowball and possibly with the use of a plate, napkin or even just a bare table so that the pieces of coconut which fly off do not create a great deal of mess.”



Downing Street Christmas Tree.....Shared by the Chancellor of the Exchequer at number 11. This tree is provided by the winner of the British Christmas Tree Growers Association Grower of the Year and comes free, so no cost to the public purse!

The Christmas Bonus....Cash bonuses are generally taxable but this one paying £10 to people on state pension and other benefits is thankfully non-taxable.....hooray!

Candle Taxes.....From 1709 to 1831 Great Britain had a candle tax that forbade people to make their own candles without a licence. This meant that generations of people had to use “rush-lights” (candles made from dipping rushes in animal fat) or sit in the dark. You could then light both ends at once and they burned quickly, giving rise to the saying “burning the candle at both ends”. This extremely unpopular tax ensured that candle production was controlled.

Christmas Turkey.....Over 10 million turkeys will be enjoyed over Christmas. Some employers give their staff a gift at Christmas, perhaps a turkey, bottle of wine or chocolates. If these gifts cost less than £50 they are classed by HMRC as “trivial benefits” and are not classed as taxable ...So at least the tax man won’t get any benefit from your Christmas dinner!!

All that remains is to wish everyone “A Merry Christmas” and keep our fingers crossed that in 2021 we can start to look forward to life getting back to the “old normal”.

We at Tax help for Older People are still here so if you need tax advice. Please contact us on our help line number 01308 488066.

This article is by Tax Help for Older People Registered Charity no 1102276 (Scotland no SC045819), offering free tax advice to older people on a low income who cannot afford professional help.