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MONEY BOX LIVE

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DUGGLEBY: Good afternoon. Time is fast running out if you're one of those who have not yet completed your self-assessment tax return due online by the end of January. Postal returns had to be in by the end of October; and, either way, if you miss the January deadline you face an automatic £100 late filing penalty. Those whose affairs are dealt with via the PAYE system are not of course affected, but do remember any change in your financial circumstances must be notified such as investment income which might be liable to higher rate tax. And then of course there's the vexed question of the High Income Child Benefit Charge which came into force on Monday. Now if you've already surrendered the benefit, well and good. If not, then you will eventually need to complete a self-assessment return if your income is over £50,000, but not - and I repeat not - until the next tax year. You won't be paying the extra tax as a result of the 2012 return on which this Money Box Live is focusing. So what are the main issues? Well the first thing to remember is that if you've been sent a form, you must complete it even if you think you don't owe any tax, and that £100 penalty applies regardless. What you have to pay also includes the first instalment for 2012/13, which may be an overestimate if your income is lower than last year. There's still plenty of time to reduce the bill through pension contributions or gifts to charity before 6th April, but the Revenue won't be able to factor those into the calculations and in many cases extra tax is collected or refunded via PAYE, but you can always elect to pay it in a lump sum. Now we've had a tremendous number of questions about child benefit. We'll try and take as many as we reasonably can, but I don't want to devote the entire programme just to that subject because my guests are here to discuss any problems with personal tax. 03700 100 44 is the number to call. And with me Anita Monteith, Tax Manager at the Institute of Chartered Accountants for England and Wales; Chas Roy-Chowdhury, Head of Tax at ACCA, the Association of Chartered Certified Accountants; and Eric Williams, Private Client Tax Partner at Grant Thornton. David, you've got the first question from Sheffield.

DAVID: Yes hello, David here.

DUGGLEBY: Hello.

DAVID: I'm on £18,000 a year teacher's pensions plus state pension and I haven't filled a tax return in for many, many years. I was the executor to my mother's estate and I sold property and we got the deposit at the end of 2011 and the balance in 2012 April. Now I was advised I didn't have to fill in a tax return until this year, but in fact I have to fill in one for last year. Can I still manage to beat the deadline?

DUGGLEBY: I imagine so, yes. Who's going to take that? Chas?

ROY-CHOWDHURY: You need to make sure you're registered to be able to file online. To do that, you need basically a unique taxpayer reference number, UTR, so you go online on the Inland Revenue site, the HMRC site, fill that in. Make sure you do that by 21st January. They'll then send you an activation code which you can then use to file your tax return, which you will submit your capital gains tax computation on. And at the same time or pretty soon after, by 31st January, you need to make sure you pay the tax that's owed as well.

DUGGLEBY: Now there's two rates for capital gains tax, but it's dependent on the marginal tax rate of the individual, isn't it, Eric?

WILLIAMS: That's correct. I think there's also a point that … I may have misheard the question, but you said that the deposit was received in 2011 and the balance was received in 2012, and the date that drives the liability in respect of the disposal of that property is the date of the contract, so it depends when you entered into the contract. But assuming that you entered into the contract at the point at which the deposit was paid, if that was before 5th April 2011 then you have a 10/11 return to make, not the 11/12 return.

DUGGLEBY: But overall, David, the income side of the equation, is that roughly either side of £40,000? Is it well below £40,000 or above? That's the income.

DAVID: Well my income is £18,000.

DUGGLEBY: Right, okay, so the income is well enough down …

DAVID: Yes, yes.

DUGGLEBY: … to the point where the capital gain will be taxed, Eric, at 18%?

WILLIAMS: David, I'm assuming from your question that this is a property which you inherited from your mother and then sold?

DAVID: It is, it is, yes.

WILLIAMS: Well you will have inherited that property at a capital gains tax cost equal to its market value on the date of your mother's death. So if you sold it for that value because you sold it quite quickly after she died, then you don't have a capital gain in the first place.

DUGGLEBY: Because it's been …

DAVID: It's 6 or 7 years ago that we sold the property and we're actually selling the balance of it for development some 6 years later.

WILLIAMS: Okay, well then you probably have got a capital gain there.

DUGGLEBY: So you've probably got a capital gain there, yeah. But the key thing is that the inheritance tax side of the equation has to take care of any gain that has taken place during the ownership of the property by … was it your mother?

DAVID: Yes.

DUGGLEBY: Yes. Once you got hold of it, then it's got a new base for valuation.

DAVID: A new base, yes.

DUGGLEBY: Alright, thank …

DAVID: I can do the capital gains online now, can I?

DUGGLEBY: Yes.

MONTEITH: David, could I just ask you - do you already have what's called a unique taxpayer reference? Have you ever filled in a tax return before?

DAVID: No I haven't, no.

MONTEITH: Okay.

DAVID: No, I haven't filled a tax return in for many, many years. PAYE.

MONTEITH: Then I think you will need to go online and fill in a form called an SA1 because you need to register for self-assessment before you can go through the process of getting the special activation code. I would suggest that you actually call HMRC and explain to them that you're realising quite late that you do need to do a tax return, and that you will need to get this unique taxpayer reference before you can then go on and start the activation process online.

DAVID: Yes, okay.

DUGGLEBY: While we're on this subject of the unique taxpayer reference, Michael emailed us because he's been trying to register but hasn't been able to do so because he's worried that he has to register for self-assessment because of the dreaded child benefit and that for some reason he's got to do it by 31st January. Well that's completely wrong, isn't it? I mean I know he hasn't done it, but he needn't worry. He's desperately worried he's going to be fined or something, Chas.

ROY-CHOWDHURY: He's thinking the wrong year. He doesn't have to worry till after 6th April 2013 and he needs to notify the Revenue to register for self-assessment by October this year. So you've got plenty of time and you're thinking of the wrong year basically, so don't worry at all.

DUGGLEBY: So the fact that he didn't have to and doesn't have to fill in a 2012 return, that's on the one side of the equation. Yes next year is next year, but plenty of time, so don't panic about that one.

ROY-CHOWDHURY: Yeah, absolutely.

DUGGLEBY: Right Nick in Scotland. Nick, your call?

NICK: Oh hi there. My query relates to personal liability for a gift aid payment that I made in the previous tax year, in the last tax year. I live in Tobermory on the Isle of Mull and every lifeboat day I raise money for the local Tobemory lifeboats. And last tax year I raised a good amount and decided to gift aid it and the gift aid came to, I understand, £108. Now unfortunately by the time I filled in my tax return and sent it off, I hadn't actually paid enough tax in that tax year for that gift aid to basically come into effect, I thought, but since then I've actually received a demand for that £108 from the Inland Revenue.

DUGGLEBY: Because you didn't have enough income to cover it?

NICK: That's right. I mean ironically I had enough income the previous year or paid enough tax in the previous year to have paid that. I didn't realise I could have just set it back to the previous tax year.

DUGGLEBY: Okay, I think we get the point of that one. Actually it's the very first time I've ever heard anybody being caught by that. It's quite an unusual event not to for a small amount of money …

MONTEITH: It is.

DUGGLEBY: … but I guess the Revenue are quite within their rights?

MONTEITH: Absolutely right, they are. I agree with you, Vincent - I'm very surprised that they have identified that. RNLI is quite a big charity and they must be getting loads and loads of these little payments.

DUGGLEBY: Yeah.

MONTEITH: So I don't know what's triggered it, but the tax point is an important and relevant one; and that is that if you make a payment and you ask for it to be gift aided, you must have paid enough income tax to cover it.

DUGGLEBY: I mean perhaps slightly unfortunate that he's the sort of prime mover in this, Chas. I mean if you're the prime mover in raising the money, then unfortunately it attaches to you. I mean if he'd gone to his next door neighbour and said can you kind of take over running the books, then I suppose it would be alright?

ROY-CHOWDHURY: Yes, I think … Well Anita's absolutely right, I've not really come across the Revenue trying to chase this. But Nick, I'm afraid, to be honest, you probably do owe the tax.

NICK: Could I ask a further question?

DUGGLEBY: What's that on?

NICK: It's really just to do with I rang their advice line and I was told actually they have discretion about this. So I detailed it all, sent that into them, and I received a letter back a few weeks ago basically just saying no, you owe us £108, you know we don't have any discretion. I'm actually just trying to find out whether that is actually the case or whether it's hard and fast?

DUGGLEBY: Well just briefly Eric, I mean we won't go into this particular because we've dealt with the particular case, but do the Revenue have discretion on things? I mean I thought it was all in extra statutory concessions.

WILLIAMS: No, no, no.

DUGGLEBY: I mean it's either there or it isn't.

WILLIAMS: The best you can hope for is you find a tax inspector who is very keen on the RNLI and decide to turn a blind eye to it. But other than that …

DUGGLEBY: Strictly speaking no.

WILLIAMS: … they're not going to offer any discretion, no.

DUGGLEBY: Okay, an email here from Nicky in the Cotswolds, I think, and she says: 'I'm self-employed and file a self-assessment tax return every year. I own two apartments in Bulgaria which are not rented out and are worth less than I paid for them, although I hope one day to sell them. Do I need to declare the fact that I own these apartments on my self-assessment return?' Anita?

MONTEITH: No you don't, Nicky. You don't have to declare them. And what you should do though is keep all the paperwork connected with buying them because perhaps one day you will come to sell them and at that point you may (if you're lucky) have a gain and then you will need to consider not only Bulgarian tax but also the possibility of UK capital gains tax. But there's nothing for you to declare at the moment.

DUGGLEBY: Okay. And Eric, Lynne asks you is capital gains tax payable on the sale of a business which in fact concerns the running of holiday cottages? I have just retired. I suppose the question is what state has the business had, is it?

WILLIAMS: Yes. Well the simple answer to that question is, yes, capital gains tax is most certainly payable if you make a gain.

DUGGLEBY: You can't roll over to a fresh investment, or can you only do it when you're running a business?

WILLIAMS: Well yes you may be. If you are running it as a legitimate business, you may be able to then roll over relief …

DUGGLEBY: But she's retiring.

WILLIAMS: Yes. And, therefore, if there is to be no business, there will be a capital gains tax liability. It may well be that if it has been run as a legitimate business, she will get entrepreneurs' relief on it and, thus, a 10% tax rate.

DUGGLEBY: So I guess, Chas, this is something where I wouldn't like to go ahead without getting some professional advice?

ROY-CHOWDHURY: Yeah, I'd make sure you get some professional advice because the rules changed last year and I think without more facts it's unclear you know where you may stand.

DUGGLEBY: Indeed. But I mean the words 'holiday cottages' rings a bell, the words 'business' rings a bell. This is not somebody with a second property which they're renting out by itself, which is obviously a personal gain. This could have quite a lot of ramifications.

ROY-CHOWDHURY: Yes, correct.

DUGGLEBY: Right, Ian you've called us from or you're calling us from Camborne in Cornwall. Ian?

IAN: Yes indeed.

DUGGLEBY: Yeah, fire away.

IAN: I received the day before yesterday an advice, a payment reminder to say that I had not filed a tax return by the two due dates and they were saying that unless I did it by 31st January automatic penalties would apply. Now this return referred to a short tax return for 2012, which I received on 6th April 2012. I completed it in manuscript and sent it back. Now I've written to the Revenue on yesterday's date saying that I had done this very thing, but if we come to a discussion of us and them - I sent it, you didn't and so on - where can I go to get a straight… not a straightforward … to speak face to face to …

DUGGLEBY: Okay Ian, we've got the point: you say you sent it, they say you didn't. Well first of all …

IAN: No and I can only deduce from the fact that I got the advice that I'm going to have to pay £100 for the thing.

DUGGLEBY: Now hang on a minute, I'm going to pull you up there because the £100 penalty is an automatic penalty that applies to late filing. So that's the first point, Chas.

IAN: No. Well, as I say, I sent it in April.

DUGGLEBY: Yeah, I'm not disputing what you say. Did you send it recorded delivery or registered?

IAN: Well I think I sent it recorded delivery.

DUGGLEBY: If you sent it recorded delivery, you should have had a slip for it.

IAN: Ah yes. Now …

DUGGLEBY: Ian, I don't want to interrupt you, but I know exactly what you're up against and the panel will try to answer this. So, Chas, you know how do you challenge it?

ROY-CHOWDHURY: Well first of all, Ian, I'd phone up. Writing is you know one thing, but I think you need to actually speak to a person, explain the position, and I think any reasonable - because I imagine there's probably not an awful lot of income at stake anyway from what you're saying - the Revenue should really withdraw the penalty notice if they've lost the return. If you want to take it further, you can go to the adjudicator's office whose details you can find online. And I think you know it depends on how much is at stake. If you've got any tax to pay, make sure you pay that because you've got a copy of your return or you know what it is. Make sure you pay that by 31st January and then you've just got the dispute about the return and I hope that will be decided amicably where they just withdraw the calculators.

DUGGLEBY: If this is ongoing Anita though, the Inland Revenue periodically send you statements of account in which they say what you owe and what you pay and when you pay it. So clearly there's one or two things gone wrong. It seems to me the return's been lost for some reason and they've levied the penalty.

MONTEITH: Yes.

DUGGLEBY: So talk an appeal?

MONTEITH: I would agree with that. And object lesson here is make sure you keep a copy of your tax return always.

DUGGLEBY: Yeah and always send it recorded delivery.

MONTEITH: Actually no I wouldn't bother.

DUGGLEBY: Wouldn't you?

MONTEITH: I wouldn't do recorded delivery.

DUGGLEBY: I do.

MONTEITH: I would ask for proof of posting. The reason why is that HMRC gets sack loads that arrive in a van of stuff that's been sent recorded delivery and they simply sign for the van. So they don't go through. It's not worth the money.

DUGGLEBY: Well yeah, they may not do so, but you've got a piece of paper which is addressed to the Inland Revenue on the address which says …

MONTEITH: Proof of posting. That's all you need and it's free.

DUGGLEBY: Well yes, fair enough, but it doesn't …

MONTEITH: I'm just mean. I don't like paying.

DUGGLEBY: … okay you save yourself a pound. But the fact remains that the other thing I would do is I would also, if you haven't heard within about 6 weeks or 8 weeks of the return being sent in - give them reasonable time …

MONTEITH: Yes.

DUGGLEBY: … ring them up and say have you got it? Because am I right in saying, Eric, I mean they should be able to look on their screens and say yes or no?

WILLIAMS: Yes there's every chance that they've lost it or they haven't received it. My personal experience of this kind of situation is if you've got reasonable evidence that you did send it when you say you did, the Revenue know this goes on, they know it happens a lot, and they will simply back down.

DUGGLEBY: Right. Now let's have this email from somebody who describes themselves as Sugar Candy. And anyway whoever it is, he or she, is an author and they pay 15% to their agent out of their earnings and they say how do you go about averaging earnings out which we believe is - or she believes or he believes - is available to authors? I think that's right, isn't it, Chas - you can average it over 3 years I think, isn't it? Isn't that right with a book? Although maybe I know more than you do. *(laughs)*

ROY-CHOWDHURY: I think on that one, I'd probably defer to Anita who seems to know a lot more about it.

DUGGLEBY: Anita, there is a concession for authors?

MONTEITH: Yes there is. Authors are a bit like farmers - you get averaging, there are special rules - and of course the agent's fees are deductible, the 15%.

DUGGLEBY: What immediately springs to my mind is that much publicised record made by David Bowie I think, which is his first for 10 years. Imagine, could he get a 10 year averaging because he hasn't done anything apparently in that period of time? I don't know, it probably doesn't apply to … maybe it does apply to pop artists or …

MONTEITH: I don't think it takes 10 years to write a book. *(laughs)*

DUGGLEBY: I think we're out of our depth with this one, aren't we? We're out of our depth on this one.

WILLIAMS: Just one point on those agent fees. You deduct them in the same year in which the income was generated and then you average the net income.

DUGGLEBY: And you average the net income. Yeah well thanks for that, Eric. Right let's go back to the straight and narrow and talk to Geoffrey in Stroud. Geoffrey?

GEOFFREY: Oh hello. I'd like if you could to answer the question whether my wife needs to enter the self-assessment system and register as self-employed. She's 64 years old. She does not have and has not had for over 30 years an income that exceeds the personal allowance, so she's not currently in the tax system.

DUGGLEBY: Right.

GEOFFREY: Her present circumstances, as far as income is concerned, are as follows. During the current year, she began to receive royalties for the first time. Those royalties actually flow from the self-publication of two eBooks.

DUGGLEBY: Oh, so we've got a genuine pub… Oh that follows rather neatly on from the last question actually, yes.

GEOFFREY: Indeed. And in this tax year the royalties will amount - they're fairly modest - they will amount to no more than £700. Her other income is a fairly small state pension, just over £3,000 a year, and savings interest of about £2,000. So her total income for this tax year will be about £6,000.

DUGGLEBY: Okay. Well that sounds to me as though it's within the personal allowance which means that you're out of the system.

GEOFFREY: Exactly.

WILLIAMS: No, no.

DUGGLEBY: Sorry, no? Correction.

GEOFFREY: *(over)* But the reason we raise the question is because she is now earning a little bit of money from her being an author and we simply want to … I phoned the Revenue twice actually. They were both fairly vague the advisers I spoke to. One said she probably should register and register as self-employed and the other chap said probably she didn't have to. They weren't very helpful and I've come to the experts for advice.

DUGGLEBY: Okay, well mea culpa for anticipating what Eric was going to say, which is who is right? It's the Revenue?

WILLIAMS: Well, Geoffrey, I mean the answer's fairly simple: she does have to complete a tax return and the answer is in a document on the Revenue website called 'Do you Need to Complete a Tax Return?' And the very first entry on the list of all the people that have to complete tax returns say you have to complete a tax return for each year you were self-employed. You need to complete a tax return even if you make a loss.

DUGGLEBY: Yeah. Yes, I was anticipating of course whether this was a one off thing, but it probably is an on… It's got to be an ongoing self-employment. It isn't just a sort of one-off event. I mean if she made one single payment then that wouldn't constitute a business.

WILLIAMS: Yes, but if you are operating a genuine self-employment …

DUGGLEBY: And that must be notified of course, Chas, when you become aware that you are self-employed?

ROY-CHOWDHURY: Yes and certainly by the October deadline in the year. So if you're in the situation where you need to file now - i.e. before 31st January - then you know the sort of things we've been saying - you know register quickly by 21st January, get the return in by 31st January.

GEOFFREY: Well she's never comp… hardly ever in her life completed a tax return. She doesn't have a UTR. She hasn't been in the tax system simply because she has through her state pension and her savings interest, she hasn't ever …

ROY-CHOWDHURY: Phone HMRC because I think in that sit…

GEOFFREY: Sorry?

ROY-CHOWDHURY: Phone HMRC because in that situation you need to get the UTR to be able to go online because the only option now is to actually file online.

DUGGLEBY: But the difference here is having to file is a bore because you get fined if you don't, but actually as for paying any tax it sounds as though the income …

WILLIAMS: There's probably no liability.

DUGGLEBY: … there is no liability. And this is one of the ironies, isn't it Eric? They used to say no liability if you pay the tax you owe. Now it's the mere fact of not sending in the bit of paper regardless of any liability which some people regard as being a bit mean.

WILLIAMS: Yes it is. It's very unfair that, I think, if you have no liability.

MONTEITH: I think this also picks up the point that if you've started to trade during the 2011/12 tax year and you haven't put your hand up yet to Class 2 national insurance, the deadline …

DUGGLEBY: She's 64.

MONTEITH: No, but more generally there'll be many people in her position who do need to do that and the deadline is 31^{st} January for notifying for Class 2 national insurance, otherwise there's a penalty for that too.

DUGGLEBY: Okay. I hesitate to enter the dreaded field of High Income Child Benefit Charge - not tax, High Income Child Benefit Charge. We've had an awful lot of calls on it which I don't want to get into in detail because, as we know, this really is a kind of slow burning fuse. We'll be dealing with this subject in the months and years to come. But the one thing that has come through on all your calls is the words 'adjusted net income'. People are terribly confused, panel, about what exactly constitutes the income that is assessed by the Revenue in establishing this £50,000 to £60,000. I'll just mention Alistair who's emailed us and he actually says his gross salary or his total money that he gets is probably about £67,500 and he mentions things like salary, car allowance, healthcare, bonuses. But then he says he also pays pension contributions, has childcare vouchers, AVCs. So as far as he can see, his net income or the income on that calculation comes down to £51,000. Now can we pick the bones out of this - not too long, perhaps two or three minutes - just to say how you know where you are. Who's going to start? Anita?

MONTEITH: Well the first thing to know is that it is broadly your net taxable income, so it's going to be your earnings from employment if you've got that, it's your earnings from business if you've got one of those, it's going to be your bank interest, it's going to be any dividend income. All the usual taxable income less any gift aid payments you might make to charities, any pension contributions. And if you make freestanding pension contributions into your own scheme, it will be the grossed up amount of that taken out of the 20% tax rate. And it's done individual by individual. The charge is going to be levied to an individual based on their own income, not a couple.

DUGGLEBY: And one of the difficult things I have difficulty in understanding is that incomes vary, Chas. I mean you know what you get this year is not necessarily what you get next year, leave aside the scope for as it were tinkering with at the edges and getting a bit pushed in or taken out.

ROY-CHOWDHURY: Yeah, Vincent, I think there are a couple of points on this. Anita's picked up you know the critical issues in terms of what constitutes the amount of income you need to take account of in terms of submissions or you know where you stand in terms of the child benefit. But also what you need to be very careful about is that when you are working out whether you should be disclaiming the child benefit or not, you need to make sure that you are the person first of all that gets the child benefit, so whether you disclaim it or your partner disclaims it. Secondly, is it you that pays the tax or your partner pays the tax? You really need to speak to each other because it won't be good enough that you pay the tax and it really should be your partner who earns more who should have paid the tax. There's no extra statutory concession around that. Also in terms of when you pay the tax - and it's going to be next year, in January next year that the tax will be payable or it can be coded out if you get your return in on time. So there's a whole array of different things. But what people need to do who think they are earning above £50,000 is to register for self-employment after 6th April this year and make sure they do it before October …

DUGGLEBY: Self-assessment you mean?

ROY-CHOWDHURY: Self-assessment … and make sure they do it before October this year. And then be prepared to send the information in on paper by the end of October or by electronic means by 31st January.

DUGGLEBY: I mean, Eric, people are very worried that you know the sums will go wrong and they'll be losing their benefit when they shouldn't. And I suppose there is scope for people saying to the Revenue well I did think I was going to be over this level, but I'm not, so can I have the money back?

WILLIAMS: Well the answer to that question is yes you can have the money back. I think from a practical point of view, my advice would be if you have any doubt as to whether you're going to be caught or not, it probably makes sense (as it would seem the vast majority of people have decided to do) is to continue to receive the child benefit but don't spend it or at least don't spend the tax element.

DUGGLEBY: So register for self-assessment?

WILLIAMS: Yes. Save the money up in a bank account and if it turns out at the end of the tax year that you indeed are caught by the charge, then you have saved the money up to pay it; and if you're not caught then you've got a little bit of money to spend.

DUGGLEBY: Because basically this is a very slow burning fuse, Anita. I mean the thing isn't fully into … Am I right in saying it isn't fully into effect until the 2014/15 tax year, is it?

MONTEITH: Absolutely right. We've got 13 weeks worth that might potentially need to be paid back by 31st January 2014 for the tax year we're currently in. For the 2013/14 year, that's going to be the first full year affected. You'll have to pay the full amount back if you're liable for it 31st January 2015, and that's the one that's going to really hurt.

DUGGLEBY: Okay. Right a quick call from Sue on capital gains tax from Stratford. Sue?

SUE: Hello there.

DUGGLEBY: Yes make your call quick if you would.

SUE: Oh will do. Right, I just want clarification on capital gains. My husband pays tax at 40% and I'm the normal rate taxpayer whatever that is nowadays.

DUGGLEBY: Basic rate, yeah.

SUE: And we have shares in a property, but my husband actually owns part of the property, not myself. Now we've previously shared property as regards capital gains and he's had to pay at 40% quite a few years ago and me at the normal rate. Now I believe it's changed to 28%. Is that across the board?

DUGGLEBY: No.

SUE: Aha!

DUGGLEBY: The question is here your husband owns the property. He's a higher rate taxpayer?

SUE: Yes. Would it be better if we both owned the property?

DUGGLEBY: I think the answer to that, Chas, is you can do even better than that actually.

ROY-CHOWDHURY: Well that's right. I think if you are somebody … Let's assume that it's not related to business.

SUE: No.

ROY-CHOWDHURY: So you may well be someone who can just pay capital gains tax on the whole lot at 18%. But the thing to bear in mind, that with properties - and this is where marriage or partnerships do come into their own and are helped by the tax system - you both have an annual exemption of £10,600, so you can share that, so you've got over £21,000 in total that you can set off against the gain. So make sure you utilise those and you can actually divide up the property between you, between spouses, to maximise or sorry minimise your tax liability.

DUGGLEBY: Okay. And one final very quick question on an email on the subject of owning property. Here's a student called Jenny and she owns a property, renting out part of the property as student accommodation. What's the rules about paying tax on the rental income? Eric, I guess there's tax due? Being a student doesn't excuse you.

WILLIAMS: Well basically that is correct. Yes if your income is over your personal allowance, you have to pay tax whether you're a student or anything else. It's possible that Rent a Room reliefs may come into play here, which is a useful exemption.

DUGGLEBY: But make a return, I'm afraid …

WILLIAMS: Yes.

DUGGLEBY: … yeah because you may or may not be liable and it comes into the same thing as essentially the business rules we were discussing a moment ago.

ROY-CHOWDHURY: Yeah, absolutely.

DUGGLEBY: Well that's fine. Thank you very much for all your help, panel. That's Anita Monteith from the Institute of Chartered Accountants for England and Wales; Chas Roy-Chowdhury from the Association of Chartered Certified Accountants; Eric Williams, Tax Partner at Grant Thornton. You can get more information on the website: bbc.co.uk/moneybox. Listen again, download a podcast and tell us about your problems. Paul Lewis will be here with Money Box at noon on Saturday and I'll be back same time next Wednesday afternoon with Money Box Live taking your calls on investment.