

## Self Assessment Tax Refunds: Form R40

There are occasions when a client is a net receiver of income tax on a yearly basis. In these cases an R40 is required to be filed.

Blank copies can be found at: -

<http://www.hmrc.gov.uk/forms/r40.pdf>

With comprehensive notes at: -

<http://www.hmrc.gov.uk/forms/r40notes.pdf>

The Online system does not yet handle R40s and they have to be filed in the paper version. If a client has signed a 64-8 they will not appear on the Agent's listing on the Government Gateway for this reason.

If a repayment is due, the Inland Revenue will process the R40 within 28 days.

There are number of key things to remember: -

- When completing an R40 all documents need to be retained/copied and attached to a copy of the R40 for filing.
- For all accounts that are held in joint names, only include the share of the person being claimed for.
- If continuation sheets are required the name, tax reference and National Insurance number of the client must be shown on all extra sheets.
- Section 3 includes the Basic State Pension and any extra State Pension as the total of the **weeks** within the period, even if the pension is paid monthly (the weekly amount can be found at the start of the Pension book).

There are number of key things that are **NOT** required to be included: -

- Income earned from ISAs.
- Interest and terminal bonds from Save As You Earn schemes.
- Interest awarded by a UK Court as part of an award for personal damages.
- Income from a personal equity plan (PEP).
- Income from TESSAs.
- Premium Bonds and gambling prizes.
- Dividends of less than £200,000 from Venture Capital Trusts.