



# Analysis

## Maximizing Tax Efficiency in the New Tax Year

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### Biography

*James Turner, Director at Turner Little (<https://www.turnerlittle.com>) and has a proven track record in helping clients maximize their assets in creative and bespoke ways. He is directly responsible for sales and marketing, with considerable specialist knowledge of UK and offshore banking.*

*James doesn't just have drive in the world of business. In his spare time, he has a passion for fast cars and boats.*

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**Paper type** Opinion

### Abstract

*Now we are well and truly settled into the new tax year for 2024, business owners, small to medium-sized enterprises (SMEs) and high net worth individuals in the UK are presented with an opportune moment to reassess their tax strategies, and optimize their financial positions. In this article, the author looks at some of the key actions which can be taken to streamline tax obligations and enhance efficiency for various stakeholders.*

### Introduction

As we settle into the new tax year for 2024, it is to take the time to familiarize yourself with the different types of tax that are applicable to your business and finances and whether they have changed or updated with the start of the new financial year. For example, as part of the Spring budget the VAT threshold increased to £90,000, the tax-free allowance allocated to dividend income dropped to £500 and the capital gains tax (CGT) rate fell to 24%. Staying informed about changes and updates to the UK tax laws and regulations from HM Revenue & Customs (HMRC) can mean the difference between missing new opportunities and making the most of them. Be prepared to adapt your strategies to stay compliant with the latest legislation and economic conditions.



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### **Maintaining accurate and in-depth records**

Taking the time to keep thorough and organized financial records from the very beginning of the tax year will pay off in the long run. Be sure to track all income, expenses, receipts, invoices, and relevant documentation so you are in a strong position to calculate tax deductions and credits at the relevant times. This also enables you to maintain open communication and transparency with HMRC easily, allows prompt responses to inquiries, allows for the submission of tax returns and other information on time and means you can disclose any relevant information to ensure compliance and avoid penalties.

### **Utilizing and reviewing tax planning strategies**

Make the most of tax planning strategies to help minimize your tax liabilities legally. This may involve structuring your business operations efficiently, taking advantage of available tax reliefs and allowances, or optimizing the timing of income and expenses. Conducting regular reviews of these tax strategies and financial plans means you can ensure they remain aligned with your business objectives, needs and personal goals. You can also easily adjust your approach as needed in response to any changes in tax laws or economic conditions.



### Optimizing international tax planning

If your business operates internationally, or you have overseas assets, consult with tax experts to optimize your international tax planning, and explore any new opportunities that have arisen. It's also important to make the most of the professional advice and consider the implications of double taxation treaties, transfer pricing rules and foreign tax credits. In some circumstances the expert may advise you move your assets to a different jurisdiction should the opportunities be better.



### Investing in technology and automation

Leveraging technology and automation tools to streamline the accounting, tax compliance, and financial reporting processes can be a fantastic way to reduce manual errors, save time on record-keeping and generate accurate tax filings. By investing in the correct software, invoicing systems, and expense management platforms you can improve efficiency, accuracy, and compliance. Embracing this digitisation not only enhances productivity but also positions your business or finances for future growth and scalability.

### Considering succession planning

For high-net-worth individuals, developing a comprehensive succession plan to manage and transfer wealth efficiently, and minimise inheritance tax liabilities is a vital element of planning. This may involve considering trusts, gifting strategies and estate planning techniques. It is best to involve an impartial expert in this planning process to ensure all avenues have been explored. For business owners, creating a plan at the start of the tax year can help ensure all processes run smoothly should the worst-case scenario happen. In this circumstance it may mean including the intended successor in any tax planning, reviews and information gathering.



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### **Exploring tax reliefs, incentives, deductions, and allowances**

It can be beneficial to investigate tax relief schemes and incentives available for specific industries, activities, or investments. This may include research and development (R&D) tax credits or enterprise investment schemes (EIS). It is also vital to identify all available deductions and allowances applicable to your business or personal circumstances, such as deductions for business expenses, capital allowances, charitable and pension contributions, and tax efficient vehicles such as ISAs, pensions, trusts, and foundations.

### **In conclusion**

By exploring and implementing these key actions and staying proactive, business owners, SMEs and high net worth individuals can streamline tax obligations, enhance efficiency, and optimize their overall financial position. However, it is crucial to engage with a qualified professional in the field of finance, tax and UK regulations. They are able to provide impartial advice that is tailored to your specific circumstances to maximise the benefits and ensure compliance with the applicable tax laws and regulations in order to unlock significant opportunities for growth, innovation, and long-term prosperity.

#### **Reference**

If you need further support with wealth management and similar, please get in touch with one of our experts at Turner Little to find out more information <https://www.turnerlittle.com/wealth-management/>