

**Baranov**  
ASSOCIATES

16 **tax saving tips**  
for small businesses



# 16 tax saving tips for small businesses



No-one wants to pay more tax than they need to, so it's important to ensure you review your tax position on a regular basis.

People set up in business because they're good at what they do, or they want to be in control of their own future, but we've never come across a non-accountant who wants to become an expert in tax legislation!

Here are just a few questions that you should consider to ensure that you're operating your small business as tax efficiently as possible. Speak to your accountant to confirm whether any of them have been considered already if you aren't sure; they may have been able to consider and discount the opportunity based on their knowledge of your affairs, but the return on the few minutes it would take to check could be considerable!

	REVIEWED...	Yes	No
1	Are you sure you're taking money from your business as tax efficiently as possible?		
2	If you're a limited company, are you using a combination of salary and dividends to do this?		
3	If your spouse or partner works in the business, are you utilising all available allowances?		
4	Would it be beneficial from a tax point of view to move from a sole trader to a partnership, if your spouse or partner is working within the business?		
5	Are you making pension payments to reduce your tax liability and have you reviewed your pensions arrangements in the last year?		
6	Have you considered different classes of shares for company shareholders?		
7	If you're operating as a limited company and are taking dividends, are they correctly recorded to avoid any reclassification and subsequent claim for additional tax by HMRC?		

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	REVIEWED...	Yes	No
8	Have you reviewed whether your current structure, whether sole trade, limited company or partnership, is still the most cost efficient option?		
9	Do you consider the best time to buy (or dispose of) anything like new computers, cars or machinery, and whether your planned route for payment is the best?		
10	Are any losses being used in the best way to reduce your tax bills as far as possible?		
11	Are you sure of your employment position with key customers if you're a sole trader, or that you're as safe as possible from IR35 if you're a partnership or limited company?		
12	If your company invests in any type of Research and Development, are you receiving the full tax relief available?		
13	If you haven't yet registered for VAT, are your monitoring processes good enough to warn you when you're about to hit the threshold and need to register?		
14	Have you considered the benefits of switching to the Flat Rate scheme for VAT?		
15	Have you considered the potential National Insurance and retention benefits of bringing key employees into a sole trade or partnership as a partner?		
16	Have you told your accountant about any changes in your circumstances to ensure you don't fall foul of any changes in legislation?		

All of these questions could result in a smaller tax bill, but all need to be carefully weighed against any potentially negative impact; you should know if they have already been considered but if you are unsure speak to your accountant to check.

Alternatively, contact us to discuss the theory behind the question, or to arrange a free, no obligation initial meeting at a venue of your choice; we'd be very happy to discuss your current circumstances to see where we can reduce your tax bill and leave more of your hard earned money in your pocket each year!

# Baranov

A S S O C I A T E S

Business growth accountants

...making The Dream a reality

01582 809 320 | [hello@baranovassociates.co.uk](mailto:hello@baranovassociates.co.uk) | [www.baranovassociates.co.uk](http://www.baranovassociates.co.uk)

Disclaimer: This list is meant to prompt careful review of your existing arrangements only and is not designed to be a replacement for professional advice tailored to your precise needs and circumstances.

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