



REVENUE'S DEADLINE APPROACHES

Top tax saving tips for the self-en

Brian Keyes and David Murray, tax advisers to self-employed people with David Murray and Company, Blackrock, suggest the following money saving measures

Generally, if you have a long-term illness the maximum monthly amount you have to pay for medication is £32 (for the 1998/99 tax year) and your local health board usually picks up the rest of the bill. However, that amounts to an annual figure of £384 (12 x 32) and Revenue allows you claim the excess amount above £100. In other words, you can claim £284 at your marginal rate of tax which is £30.64 (£284 x 46 per cent) if you are a marginal taxpayer.

● The full PAYE allowance (£800 for 1998/99) can be claimed at your marginal tax rate (£800 x 46 per cent = £368) where a self-employed person has a PAYE source of income during the tax year even if they were only employed for a couple of weeks. An example would be a management consultant who works for himself most of the year but may take a lecturing post for a month and thus enters the PAYE net during that time.

● Tip for employees who hold two jobs: for example, John Ryan, a non-executive director of two

(ie 2 x £23,160) he is essentially paying double the amount of PRSI that he needs to pay. Thus he can claim back the £1,158 that he paid in his second job. This claim can be made at any time throughout the year from the Collector General in Sarsfield House, Limerick.

● If you earn less than £10,750 per annum you do not have to pay the health and training levies that are charged at 2.25 per cent on the amounts above this threshold for the tax year 1998/99.

For example, a woman who took maternity leave during the tax year discovered she had been paying levies for the entire year because her weekly income was in excess of the £207 weekly threshold even though her annual income did not exceed £10,750. She was entitled to a refund of £200.

Expats might also fall in to this category. Even if they are on high salaries they may not be liable for these levies, especially if they end up working for a very short part of the April 6 to April 5 tax year.

● Employees in certain industries are entitled to claim certain

stage in the tax year can also claim these allowances.

Journalists (No expense allowance from employer) £300

Journalists (With expense allowance from employer) £120

Nurses (Supply and launder own uniforms) £440

● Forming a company: You have a very small company and, for example, you and your mother are the only two shareholders. If you have a company share capital of £2 and you give your mother an equal £1 share, she then owns 50 per cent of the company and is obliged to make a tax return. Proprietary directors who own 15 per cent of the company or more are obliged to file tax returns. If you issued share capital of £12 with 12 shares of £1 each and gave your mother just one share, she would then own just 8.3 per cent of the company and would not be obliged to file a tax return.

Note: Tax practitioners say self-employed salespeople generally believe they can recoup the cost of their dry-cleaning as an allowable business expense. This is generally

