

Self-assessment returns for 2008-09 onwards: Failing to file on time: Reasonable Excuse for online filers.

Paper returns filed after 31 October following the return year will normally trigger a maximum penalty of £100 per individual (see note (a) below). A return filed between 1 November and 31 January following the return year must be filed online to avoid a penalty being charged. For example, a return for 2008-09 filed after 31 October 2009 and on or before 31 January 2010 must be filed online. (notes (b)& (c) below)

Where the HMRC online service does not accept the return

In these circumstances a submission error message is generated and the following options are available to you:

1. To check the Service Issues page on HMRC's website to see whether there is a known issue affecting your ability to file online.
http://customs.hmrc.gov.uk/channelsPortalWebApp/channelsPortalWebApp.portal?_nfpb=true&_pageLabel=pageOnlineServices_ShowContent&id=HMCE_PROD1_026735&propertyType=document If there is then the website will provide additional guidance. You might be able to work round the issue, following HMRC's advice, or you might have to wait for the issue to be resolved centrally before you can file the affected return.
2. If you use commercial software, you may wish to contact your software provider as part of your normal support arrangements. (note (d) below)
3. To contact HMRC's Online Services Helpdesk on 0845 6055999.
4. If there is a user error rather than a system error then you can correct the return and try sending it again online. (e.g. the user has made an inconsistent entry in a box)
5. If the return cannot be corrected and submitted online, or if an agent (or other customer) feels unable to apply a workaround, to file on paper but be aware that the £100 penalty potentially applies to paper returns filed after 31 October.

'Reasonable Excuse'

If you choose option 5 above and file a paper return, HMRC will accept that there was a reasonable excuse for failing to file the paper return on time provided you supply the online filing error message and file the paper return without unreasonable delay. Where your software does not facilitate a printed error message you will need to supply the error code or the text reported by your software instead. The error message (or details of its contents) should be submitted with the claim for reasonable excuse. There is a downloadable claim form for reasonable excuse (pdf 144K) available at <http://www.hmrc.gov.uk/carter/sa-reasonableexcuse.pdf>
The distinctive format will ensure that it is quickly identifiable and will receive early attention.

Alternatively, if you prefer not to use the claim form then the claim for reasonable excuse needs to be made in a letter attached to the paper return. It must include the following information

- Either the error message or details of the error message:
- Your name (or client's name if an authorised agent is acting)
- UTR (Unique Taxpayer Reference)
- authorised agent name, address and contact details (if an agent is acting)
- reason for claiming reasonable excuse
- the date you tried to file a particular return online or realised that it could not be filed online
- date of claim.

HMRC does not want to penalise customers who have made a genuine attempt to file online and therefore a reasonable excuse claim received without details of the appropriate error message will be considered sympathetically on its merits.

Time limit for suppression of penalties

As a guideline it will generally be possible to suppress the £100 penalty where the claim for reasonable excuse is received by 23 January but it is important that you submit claims with the paper return as soon as the need becomes apparent. If the notice of penalty determination has been served, an appeal should be lodged and you should submit the claim in support of the appeal. (notes (e),(f)& (g) below)

Notes:

- a) For partnership returns, each partner is liable to a fixed penalty of £100.
- b) There are some specific exceptions to this where, for technical and operational reasons, HMRC knows that certain customers cannot file online at all. These customers are advised individually by the office that usually contacts them, that they fall into this category and that they have until 31 January to file a paper return.
- c) Once a return has been filed – whether by paper or online – this is considered to be the legal return for all relevant tax purposes and there is no scope to replace a late paper return with a subsequent online return for the same year.
- d) Unless the notice to make a return was given after 31 October following the return year, any return filed after 31 January is not on time and is therefore subject to a penalty, although there may be other grounds for making a claim for reasonable excuse. (see 'e' below)
- e) This guidance relates specifically to customers filing online and it doesn't preclude a claim along the lines of the general guidance at SAM 10090 <http://www.hmrc.gov.uk/manuals/sammanual/SAM10090.htm>
- f) The 23 January date is a guideline rather than a cut off date. It will be reviewed periodically to see if it can be moved closer to 31 January.