



PAYING TAX TO HMRC

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This guide created by the ICAEW Tax Faculty summarises the different methods of paying tax to HM Revenue & Customs (HMRC). It is not intended to cover other means of paying tax such as coding adjustments. It also touches briefly on what taxpayers can do if they cannot pay.

Links to the relevant sections of the HMRC website are provided. Full information on how to pay all taxes and duties can be found on HMRC's website page [Paying HMRC](#).

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PAYING BY DEBIT OR CREDIT CARD

- Payment can be made by credit or debit card online, see [Pay your tax bill by debit or credit card](#). Note that payment by personal credit card has not been possible since January 2018.
- Taxes which can be paid using this service are
 - self assessment
 - employer PAYE and national insurance
 - VAT
 - corporation tax
 - stamp duty land tax
 - income tax PAYE underpayments
 - miscellaneous payments where the reference begins with 'X'.
- When paying self assessment income tax don't forget to add K to the 10 digit unique taxpayer reference (UTR).
- There is a charge when paying by corporate credit card, see [Statutory Instrument 2017/1262](#) for current rates.
- HMRC may limit the number of times a taxpayer can use a credit or debit card within a certain time to pay their tax. There isn't a set limit, it depends on HMRC's view of what's reasonable based on payment card industry standards and guidance. The rules apply to multiple card payments against the same tax, you can only make extra card payments if each one's for a different tax. If a taxpayer is unable to pay their tax in full by debit or credit card, they may need to consider alternative methods of payment in good time to avoid possible interest or penalties for late payment.
- In accordance with payment card industry standards, repayments will automatically be made to payment cards where:
 - the most recent payment was made using a card
 - the repayment is no more than the amount of the last payment made
 - the payment was made within nine months of the creation of the repayment.

PAYING BY DIRECT DEBIT

Taxpayers can set up a direct debit through their HMRC online account to pay the following taxes:

- Self assessment
- Employers' PAYE and national Insurance
- Construction Industry Scheme (CIS) deductions
- VAT
- Corporation tax
- Machine games duty
- Miscellaneous payments (with a payment reference beginning with 'X')

Except for VAT, for which continuous direct debit authority can be set up, the taxpayer will have to set this up as a single payment and the process will need to be repeated each time a payment needs to be made. Agents cannot do this for their clients.

PAYMENT OF TAX BY ONLINE OR TELEPHONE BANKING, CHAPS OR BACS

HMRC account details – income tax self assessment, corporation tax and employer’s PAYE

Account name	HMRC Shipley	HMRC Cumbernauld
Sort code	08-32-10	08-32-10
Account number	12001020	12001039
Reference	Self assessment: 10-digit UTR followed by the letter K Corporation tax: 17-character Corporation Tax payslip reference	

If you are unsure which account to pay in to, use HMRC Cumbernauld.

If paying from an overseas account the following additional details may be needed:

Payments to HMRC Shipley

IBAN: GB03 BARC 201147 83977692
BIC: BARC GB22

Payments to HMRC Cumbernauld

IBAN: GB62 BARC 201147 70297690
BIC: BARC GB22

Employer’s PAYE: use the Cumbernauld details above and quote the 13-character accounts office reference number.

HMRC account details – VAT

Account name	HMRC VAT
Sort code	08-32-00
Account number	11963155
Reference	VAT number

If paying from an overseas account the following additional details may be needed:

Payments to HMRC VAT

IBAN: GB36 BARC 200517 73152391
BIC: BARC GB22

PAYING BY CHEQUE THROUGH THE POST

- Electronic payment has been mandatory for VAT since 2010 and for corporation tax since 2011 and payments for these taxes should not be sent to HMRC in the post.
- Cheques should be made payable to ‘HM Revenue & Customs only’ and for income tax self assessment followed by the 10-digit UTR.
- The taxpayer’s name should be written on the reverse of the cheque.

- Cheques should preferably be paid in at a bank though a payslip is required and can be difficult to obtain. If a self assessment payslip is not available one can be printed off from [the HMRC website](#).
- Alternatively, cheques should be sent to HMRC, Direct, BX5 5BD.
- Payments made by cheque are not guaranteed to reach HMRC in time, so they should be posted at least three working days ahead to allow for any possible postal and bank processing delays. HMRC is not responsible for such delays.

PAYING AT A BANK

Self assessment income tax can only be paid at the bank if:

- the taxpayer still gets paper statements from HMRC; and
- the taxpayer has the payslip issued by HMRC.

If not, an alternative method of payment will have to be used. It has not been possible to pay self assessment bills at post offices since December 2017.

Obtaining payslips to allow other taxes to be paid at a bank is generally difficult.

BUDGET PAYMENT PLAN FOR SELF ASSESSMENT INCOME TAX

A taxpayer can set up a [budget payment plan](#) to make regular payments in advance providing their previous self assessment payments are up to date. The plan allows the taxpayer to decide how much to pay each week or month (they can stop paying for up to six months) but this has to be set up through their HMRC online account, so agents cannot do this for their clients. If the payments made under the plan don't cover the bill, the balance will have to be paid by the normal payment dates.

PAYMENT OF TAX USING CERTIFICATES OF TAX DEPOSIT

The Certificate of Tax Deposit (CTD) Scheme allowed taxpayers to deposit money with HMRC and use it later to pay certain tax liabilities. Deposits with HMRC earn daily interest for up to 6 years.

This scheme has been closed for new purchases since 23 November 2017, but HMRC will continue to honour existing certificates until 23 November 2023. Any certificates remaining after this date should be promptly submitted to HMRC for a refund.

After that date HMRC will try to repay the balance of any certificate which remains unpaid and unclaimed. But if they cannot do so (for example, because they're unable to contact the current certificate holder after reasonable effort) they'll regard the balance as forfeited.

For more information about CTDs see: gov.uk/guidance/certificate-of-tax-deposit-scheme

CAN'T PAY?

Taxpayers who have difficulty in paying their tax may be able to get help from [HMRC's Business Payment Support Service \(BPSS\)](#) or the [Self assessment payment helpline](#) which can be used to make arrangements for time to pay.

Despite its name, the BPSS deals with requests from individuals as well as businesses. Nominated partners in business partnerships can negotiate time to pay on behalf of the partnership or individual partners. Where agent authorisation is in place, the BPSS can make payment arrangements with agents on behalf of their clients.

Taxpayers need to contact the BPSS on telephone number 0300 200 3835 in advance of when the payment is due: the service is not available where the tax has already become due. In those circumstances taxpayers should contact the office from which they have received a demand or the self assessment payment helpline on 0300 200 3822.

Interest is charged on late payments and the current rate is 3.25 % per year.

Penalties are imposed for late payment. HMRC should waive penalties where a time to pay arrangement has been made before the due date.

For those with more serious payment problems, the charities [TaxAid](#) and [Tax Help for Older People](#) provide detailed advice about tax debt and how to cope with it, including advice for advisers.

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