Self–Assessment Individual Exclusions for online filing – 2021 to 2022

Where a personal return cannot be filed online for a reason listed below, provided that a paper return is delivered on or before 31 January following the end of the tax year to which the return relates, HMRC will accept that the taxpayer had a reasonable excuse for failing to file a paper return by the normal 31 October deadline. A reasonable excuse claim should accompany the paper return.

1. Any paper return submitted must conform to the normal rules for paper returns even if it is a computer generated paper return e.g. it must hold a valid signature.

2. Where an HMRC recommended workaround causes an online return to be submitted with an entry that is not strictly correct, HMRC will not take action on that particular entry for that reason alone provided that the inaccuracy is in accordance with the workaround and purely to facilitate online filing.

3. Exclusions have been separated into two categories. The above points apply equally for both categories. Category 1 lists the System related Exclusions that have been in place for several tax years and will require significant system and CESA alterations to be removed. Category 2 lists the "live" Exclusions that are active during the relevant tax year but are reviewed by HMRC and a future fix is being considered.

Category 1 – System Related Exclusions: 10

Unique ID	Schedule	Page	Box	Issue	Workaround	Mnemonic criteria for Software Developers	Status
1	All	All	All	Where it is considered necessary to file a return before the end of the tax year (e.g. before 6 April 2023 for a 2022/23 return).	For information	Early submission of Return information.	–
2	SA102MP, SA102MLA, SA102MSP, SA102WAM	All	All	It is not possible to submit a return containing any of these schedules online.	For information	N/A	–
3	Records dealt with under separate arrangements	–	–	Customers whose records are dealt with under separate arrangements means their unique taxpayer reference will not be recognised by the authentication system. These customers will be advised that they will not be able to file online.	For information	–	–
6	All	All	All	Return amendments can be submitted up to 12 months after the statutory filing date. Where a return has been issued late and legitimately filed after the 31st January the customer should have a further 12 month period to submit an amendment. However the system only allows online amendments to be submitted within 12 months of the online filing date of 31st January – amendments received before midnight on 31st January will be accepted.	Amendments made more than 12 months after the online filing date should be submitted on paper	Online Amendment window	–
15	Various	General	General	It is not possible to file online if the number of schedules exceeds the number allowed in the schema. E.g. SA102M = 50.	In these circumstances a paper return should be filed.	–	–

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36	SA105	UKP2	PRO42, FSE78, SPS22, FPS22	All of the amount in boxes FSE78, PS22, FPS22, and PRO42, will be restricted to the greater of £50,000 or 25% of the individual's adjusted total income. However, if part or all of the losses represent business premises renovation allowance BPRA from years to 2016–17 that has been carried forward then that amount should not be restricted. Because the BPRA boxes FSE54, SPS15, FPS15 and PRO33 have been removed from the Return it is not possible to indicate if any of the loss brought forward in FSE78, PS22, FPS22, and PRO42 relates to BPRA. It has now been confirmed that this Exclusion is not required as 1. a loss brought forward used against the year's profits is not subject to the limit, so if it contains BPRA the BPRA amount is not limited, and 2. a loss carried forward to be used against general income in 2018–19 cannot contain BPRA.	The Exclusion is not required but is retained for Software Developers who have already implemented the change into their products – in these circumstances a paper return can still be filed.	Property business losses are subject to the cap where they are set off against total income, but not to the extent that those losses brought forward represent BPRAs. BPRA ended on 5th April 17 but losses up to 2016–17 carried forward to later years affects 2017–18 onwards.	–
46	SA103L SA103S SA103F SA104S SA104F SA110	TC1	CAL4.1 pseudo Class 2 box pseudo Class 1 box	The Reg100 Class 4 calculation uses Class 2 max amount of 53 x £3.05 (£161.65), and where they are a Share Fisherman the amount should be 53 x £3.70 (£196.10). As a result, the Class 4 amount may be less than it should be by £34.45. A very small number of customers are expected to be affected by this.	In these circumstances a paper return should be filed.	Share Fishermen with Class 1 NICable earnings that reduce amount of Class 2/Class 4 due. The Reg100 Class 4 calculation uses 'ordinary' Class 2 max rather than the share fisherman amount. The Class 4 amount may be less than it should be.	–
47	Residency: SA109 disregarded income not in calculation SA100	Residency RR1 disregarded income not in calculation TR3	Residency NRD1 disregarded income not in calculation INC17	Non–residents are generally liable to UK tax on all their UK income but can make a claim under s811 ITA 2007 to limit the amount of UK tax they pay on certain (disregarded) income if it's more beneficial for them. If income disregarded by virtue of s825 and s826 (e.g. patent/royalty payments, and distributions from unauthorised unit trusts etc.), is entered in box 17, it will not be included as disregarded income in the S811 calculation at stage 91. So, if the customer is non–UK resident, the s811 calculation applies, and they have disregarded income entered in box 17 the calculation of tax due may be incorrect. An example would be Other income (INC17) £13,000 – all for patent paid to customer. NRD1 = Y. Tax calculated as £13,000 x 20% = £2,600. But this is disregarded income and the £13,000 should be excluded from the calculation so income tax due = £0.00 and customer is £2,600 overpaid. A fix would require a change to the Return and calculation e.g. new box 'INC17a' to show disregarded income in INC17. This will be considered. The amount of any overpayment will depend on the amount of the disregarded income. The estimated number of customers affected is 100.	In these circumstances a paper return should be filed together with your s811 calculation (working sheet in HS300)	Non–UK residents completing Return box INC17 which contains an element of 'disregarded income' will not have that income identified in the calculation as disregarded income and it is being taxed. For a non–UK resident (NRD1=Y) the s811 calculation is applied (limit on liability to income tax of non–UK residents) but the type of income disregarded by virtue of s825 and s826 ITA 2007 is entered in box 17 'Other taxable income, box 17 includes different types of income, not just those included in s825 and s826 and it is not included in stage 91. As a result the calculation may identify the incorrect lower amount for s811 non–UK resident calculation. This is identifiable where NRD1 = 'Y' and INC17 > 0 and INC21 NOT NULL and notes state that INC17 includes an element of disregarded income	–

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62	Trust income SA107	T2	TRU18	Where dividends are received in an estate before 6 April 2016, but the income is not paid over to the beneficiary until after that date, they will receive a non– payable tax credit of 7.5%. Trusts with an accounts period covering pre 6 April 2016 that have had dividend income will not have the tax credit set against income tax in the calculation. A customer will not receive a tax credit if they: • have an accounts period for their Trusts income that starts before 6 April 2016 or estate received dividends before 6 April 2016 but income paid to beneficiary after that date and • received dividend income prior to 6 April 2016 and have a non–repayable tax credit and • they want the SA tax calculation to set that tax credit against other income. This Exclusion has been reinstated and retained as we understand that the dividend for a Trust received before 6 April 2016 may be paid beyond 5 April **2021** The estimated number of customers affected is reducing each year and is estimated to be less than 100.	In these circumstances a paper return should be filed	The SA107 Trusts page Notes advise that "If any dividend income is received by the estate before 6 April 2016, but isn't paid until after 5 April **2021**, a 7.5% tax credit against any tax is due on these dividends. The 7.5% tax credit is not repayable in the event that there is no tax liability for the year. Make a note of the amount(s) of any dividend income that was received by the estate before 6 April 2016, but not paid to you until after 5 April **2021**, in box 26, Any other information." If the tax credit can be set against tax due this is not being given in the calculation.	–
100	SA101 SA108	Ai2	AOR2	Based on S1 TMA care and management the SA returns, and the calculator automatically allocate to the taxpayer their personal allowance. However, a taxpayer may wish to disclaim their Personal Allowance. For example, in order to claim income tax relief on EIS subscriptions so that they can claim Capital Gains Tax (CGT) relief. If the taxpayer doesn't want to claim their personal allowance a specific claim not to claim it must be made. HMRC is aware of 4 affected customer cases.	In these circumstances a paper return should be filed. Please make a note on box19 of page TR7.	We are unable to advise of criteria for identifying customers who do not want to claim Personal Allowance because it is not claimed on the Return and it is given automatically if it is due. It is expected that anyone who does not want to claim PA will contact HMRC. However, we have created this Exclusion so you can advise any customer that contacts you that they can file a paper Return and quote the Exclusion number 100.	–

Category 2 – “Live” Exclusions: 9

Unique ID	Schedule	Page	Box	Issue	Workaround	Mnemonic criteria for Software Developers	Status
4	SA103L	LU1	LUN2	Customers cannot enter a negative value for losses from Accrued Income Scheme and deeply discounted securities in box LUN2.	Customers who need to enter a negative amount in this box will not be able to file online and should contact Lloyds Underwriters Unit S1278, Newcastle Upon Tyne, NE98 1ZZ for advice.	–	–
18	SA110	TC2	CAL14	Where there is an entry in CAL14 but there is no entry in AOI14 or AIL23 or LUN28 or FSE71 or FSE72 or FPS11 or SPS11 , the return will fail validation.	In these circumstances a paper return should be filed. The Return should have an entry in the Additional Information Box stating the CAL14 entry is a result of Settlor income or an FTCR adjustment for overlap relief.	–	–
22	SA103F SA103S	SEF4 SES2	FSE79 FSE74 SSE34 SSE29	The validation rules on FSE79 & SSE34 are incorrect where terminal losses are entered as losses brought forward from earlier years set off against this year’s profits in FSE74 & SSE29. It is estimated that less than 10 customers will be affected.	In these circumstances a paper return should be filed.	–	–
23	SA104F SA104S	FP2 SP2 SP1	FPS23 FPS17 SPS23 SPS17	The validation rules on FPS23 & SPS23 are incorrect where terminal losses are entered as losses brought forward from earlier years set off against this year’s profits in FPS17 & SPS17. It is estimated that less than 10 customers will be affected.	In these circumstances a paper return should be filed.	–	–

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34	SA103F SA104S SA104F	SEF4 SP1 FP1	FSE72 SPS11 FPS11	Losses used against profit of the same trade are not capped. This includes losses where the profit is 'created' by an averaging claim. To the extent that the loss is used against other income, the capping rules will apply. Boxes FSE78 SPS22 & FPS22 'Loss from this tax year set off against other income for YYYY–YY' are correctly capped. There is no box to set the loss against the same trade. That is because Averaging Adjustment cases create a unique situation where there can be a loss and a profit for the same trade in the same year .	In these circumstances a paper return should be filed.	Averaging adjustment – only for farmers, market gardeners and creators of literary or artistic works where loss set against same trade in same year. Loss should not be capped.	–
124	SA104F	FP 4	FPS68	Where a loan or advance made by a company to a Partnership has been wholly or partly released or written off, the amount released or written off is treated as a net amount of income and entered at box 7.22 on the SA804. This is then entered at box 22A on the Full Partnership statement and subsequently transferred to box FPS68 on the SA104F. This feeds in to the SA calculation at box FPS70 (c3.1). Under s399 ITTOIA 2005 a non–UK resident customer having UK dividend income will be treated as having paid UK income tax at the ordinary dividend rate, and this is currently incorrectly being applied to amounts in FPS68 for loans written off. There being a tax credit given is determined by there, first being a distribution, and this does not happen in these cases. Therefore a customer will currently receive a tax credit where non is due. An example would be a non–UK resident customer claiming personal allowances (NRD1 and NRD15 = Y), with Untaxed Interest (INC2) £1204, UK Dividends (INC4) £4382, Partnership profit (FPS76) £35,000, share of amount for loans written off (FPS70) £3000, Property profit (PRO40) £11,859. Here the resident s23 calculation is retained and from the Income Tax charged figure of **£8409.37**, £553.65 is deducted as 7.5% tax treated as paid on UK dividends (£4382) and partnership dividends (£3000). The 7.5% credit should only be given on the UK dividends however and so the correct credit would be £328.65. The number of customers affected by this issue is estimated to be no more than 2.	In these circumstances a paper return should be filed	We are unable to provide clear identification criteria for these cases as we cannot identify how much of dividends entered in FPS68 relate solely to loans written off. Any non–resident customers whose entries at FPS68 include amounts for loans written off may be affected and can file a paper return to receive a manual calculation.	A fix will be considered for **2022/23**
129	SA103F SA104S SA104F	SEF4 SP1 SP2 FP1 FP2 FP4	FSE69 FSE76 FSE78 SPS13 SPS20 SPS22 FPS13 FPS22 FPS76	**A change was made in 2021/22 for the overlap issue where customers who had 2 or more trade pages of the same type, (eg 2 x SA103F or 2 x SA104F/SA104S), are claiming overlap relief against their profit on one, and have a loss to offset against the same year's income on the other, had their overlap incorrectly added to their loss relief. This had the effect of giving the overlap relief twice.**	In these circumstances a paper return should be filed.	This can be identified where there are 1 or more of each schedule SA103F, SA104S or SA104F Where On 1 SA103F FSE69 >0 **and FSE78** > 0 and on another SA103F FSE78 > 0 Or	**Planned fix for 2022–23**

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				An associated scenario was not considered however and so this Exclusion is only partially fixed. This is where overlap relief on trade 1 creates a loss on that trade where trade 2 already has a loss (but not overlap relief). At the moment the calculator will subtract the overlap relief from the total combined loss across the 2 schedules in order to identify the amount of loss subject to the £50,000 cap. This will then increase the amount not subject to the cap thus allowing too much relief. **An example is a Scottish customer with untaxed interest £7,497 (INC2), UK dividends £5,632 (INC4), Employment income £47,465 (EMP1), property income profit £21,600 (PRO44) and 1st Self Employed busines with overlap relief £12,640 (FSE69), loss set against 21/22 income £3,250 (FSE78), and a 2nd Self–Employed business with loss set against 21/22 income £61,935 (FSE78).** **Currently the SA calculator deducts the £12,640 overlap relief from the total loss of £65,185 and caps to the £50,000 limit the remaining loss of £52,545. It then treats the overlap relief as an uncapped loss and adds this to the £50,000 as a total loss to be offset of £62,640. It should be the loss created by the overlap relief that is deducted from the total loss meaning that the loss from business 2 is capped to £50,000 and when added to the loss from business 1 gives a total loss to offset against 21/22 income of £53,250. For this customer currently they would not be charged any tax due to the excessive loss relief, whereas they should have a liability after allowances and reliefs of £1,848.83.** **This will also apply to 2020/21.** The number of customers estimated to be affected is small.		On 1 SA104S SPS13 > 0 and **SPS22** > 0 and on another SA104S SPS22 > 0 Or On 1 SA104F FPS13 > 0 and **FPS22** > 0 and on another SA104F FPS22 > 0 And c4.45 < c4.40 To assist developers further the **2022–23** requirements will show as follows: c4.10 – For each instance of FSE69 if the corresponding instance of FSE78 > 0 add **the lower of** FSE69 **and FSE78** to total for c4.10, else add 0 to total for c4.10, end if. c4.16 – For each instance of SPS13 if the corresponding instance of SPS22 > 0 add **the lower of** SPS13 **and SPS22** to total for c4.16, else add 0 to total for c4.16, end if. c4.22 – For each instance of FPS13 if the corresponding instances of FPS22 + FPS39 > 0 add **the lower of** FPS13 and (FPS22 + FPS39) to total for c4.22, else add 0 to total for c4.22, end if.	
135	SA104 SA105 SA106 SA107 SA109	FP2 FP3 UKP2 F3 F5 T2 RR2	FPS41.1 FPS41.2 FPS63.1 FPS63.2 PRO44 FOR13.1 FOR13.2 FOR24.1 FOR24.2 TRU25 TRU25.1 NRD20	Dual or non–UK residents may be able to claim partial relief from UK tax on their UK income as per the Double Taxation Agreement with their main country of residence. Where they are claiming partial relief from UK tax on either savings and/or dividends and are also claiming relief for residential finance costs then the finance costs relief may be too high. This is due to the savings and dividend income being included as non–savings income within the calculation of adjusted net income. An example is a non–UK resident (NRD1) claiming Personal Allowances (NRD15), with UK pensions £9,500 (INC11), property profit £3,975 (PRO40), residential	In these circumstances a paper return should be filed.	This can be identified when: NRD20 includes savings and/or dividend income And PRO44 + PRO45 + FPS41.1 + FPS41.2 + FPS63.1 + FPS63.2 + FOR13.1 + FOR13.2 + FOR24.1 + FOR24.2 + TRU25 + TRU25.1 > 0 (zero) And d_24_15 < c24.17 d_24_15 = larger of 0 (zero) and (c24.11 minus (c24.12 + c24.13 + c24.14 + d_3_22_1 + d_3_22_2))	**Under review**

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				finance costs £2,300 (PRO44) and £4,000 taxed interest as Double Taxation Agreement income (NRD20) upon which £200 is being claimed as partial treaty relief (NRD22). The SA calculator is currently including the savings income as non–savings income and so not deducting it within the calculation for the adjusted net income. This means that the adjusted net income is **£4,905** rather than £975 and so relief for finance costs is given at £2,300 x 20% rather than £975 x 20%. The number of customers affected is estimated to be less than 200.		d_3_22_1 = any savings income included in NRD20 d_3_22_2 = any dividend income included in NRD20	
136	**SA107**	**T1** **T2**	**TRU2** **TRU19**	**As part of the changes required to fix the 2020–21 Exclusion ID134, changes were made to stage 22 of the SA calculator (notional tax on Trust income). However that stage is no longer referenced in the rest of the calculation and as a result the calculator can allow more notional tax than is due. Stage 22 ensures that no more notional tax is allowed than the tax that is charged on that type of income (either TRU2 or TRU19).** **An example would be an rUK customer with untaxed interest £4,378 (INC2), UK dividends £2,943 (INC4), employment income £33,185 (EMP1) and income from a settlor–interested Trust £20,000 (TRU2). The customer's income partly falls into higher rate and so the income tax due on the Trust income is £6,047.20. The notional tax on that income should be restricted to that amount but currently the SA calculator is allowing the full amount of £9,000, resulting in a liability for the customer of £2,016.52 rather than £4,969.32.** **It is expected that less than 600 should be affected by this issue.**	**In these circumstances a paper return should be filed.**	**This can be identified when:** **TRU2 or TRU19 > 0 (zero)** **And c10.17 > c22.3 + c22.6 + c22.9 + c22.12 + c22.15** **Or c10.13 > c22.18 + c22.21**	**Under review**

Changes Log

Document ID	Date	Unique ID	Notes	Changes
2021–22 v0.1	22 February 2022	ID136	New	
2021–22 v0.1	22 February 2022	ID135	Updated	To make relevant to 2021/22 and status changed to 'Under review.'
2021–22 v0.1	22 February 2022	ID124	Updated	To make relevant to 2021/22
2021–22 v0.1	22 February 2022	ID62	Updated	To make relevant to 2021/22
2021–22 v0.1	22 February 2022	ID129	Updated	Partially fixed for 2021–22 – re–written to account for partial fix and new example of further fix required.
2021–22 v0.1	31 January 2022	ID134	Removed	Fixed for 2021–22
2021–22 v0.1	31 January 2022	ID133	Removed	Fixed for 2021–22
2021–22 v0.1	31 January 2022	ID132	Removed	Fixed for 2021–22
2021–22 v0.1	31 January 2022	ID131	Removed	Fixed for 2021–22

Document ID	Date	Unique ID	Notes	Changes
2021–22 v0.1	31 January 2022	ID130	Removed	Fixed for 2021–22
2021–22 v0.1	31 January 2022	ID128	Removed	Fixed for 2021–22
2021–22 v0.1	31 January 2022	ID127	Removed	Not applicable for 2021–22
2021–22 v0.1	31 January 2022	ID5	Removed	No longer applicable
2021–22 v0.1	31 January 2022			Document created