Case Study for a Sole Trader / Partner regarding Payments on Account

Base Position - If Coronavirus hadn't happened

Assume business has stable profits / tax bills - tax is normally £2,000 PA, i.e. £1,000 every six months

31 January 2020	1st POA 19/20 (half of 18/	(10 tay hill)		1,000	31 January 2020
31 July 2020	2nd POA 19/20 (half of 18	<u>-</u>		1,000	•
•		5/19 tax biii)	2,000	1,000	31 July 2020
31 January 2021	Balance for 2019/20				
	Less Payments on account	maue	(2,000)		
	Balance due /(overpaid)	/20 to 15 (11)	0		
	1st POA 20/21 (half of 19/	20 tax bill)	1,000		
	Total due /(refund)	(2.2. 1.00)		1,000	31 January 2021
31 July 2021	2nd POA 20/21 (half of 19	/20 tax bill)		1,000	31 July 2021
31 January 2022	Balance for 2020/21		2,000		
	Less Payments on account	made	(2,000)		
	Balance due /(overpaid)		0		
	1st POA 21/22 (half of 20/	'21 tax bill)	1,000		
	Total due /(refund)			1,000	31 January 2022
31 July 2022	2nd POA 21/22 (half of 20	/21 tax bill)		1,000	31 July 2022
31 January 2023	Balance for 2021/22		2,000		
	Less Payments on account	made	(2,000)		
	Balance due /(overpaid)		0		
	1st POA 22/23 (half of 21/	'22 tax bill)	1,000		
	Total due /(refund)			1,000	31 January 2023
31 July 2023	2nd POA 22/23 (half of 21	/22 tax bill)		1,000	31 July 2023
•					•
Small Profit dip 201	.9/20, larger dip 2020/21, the	n recover to previous lev	<u>rels</u>		
No deferral of July 2	2020 payment, no change to	2020/21 POAs			
Tax bills (est)	2018/19	2,000			
	2040/20				
	2019/20	1,500			
	2019/20 2020/21	1,500 500			
		•			
	2020/21	500			
	2020/21 2021/22	500 2,000		Amount due	
31 January 2020	2020/21 2021/22 1st POA 19/20 (half of 18/	500 2,000 (19 tax bill)		1,000	31 January 2020
31 July 2020	2020/21 2021/22 1st POA 19/20 (half of 18/ 2nd POA 19/20 (half of 18	500 2,000 (19 tax bill)			
	2020/21 2021/22 1st POA 19/20 (half of 18/ 2nd POA 19/20 (half of 18 Balance for 2019/20	500 2,000 (19 tax bill) /19 tax bill)	1,500	1,000	31 January 2020
31 July 2020	2020/21 2021/22 1st POA 19/20 (half of 18/ 2nd POA 19/20 (half of 18	500 2,000 (19 tax bill) /19 tax bill)	1,500 (2,000)	1,000	31 January 2020
31 July 2020	2020/21 2021/22 1st POA 19/20 (half of 18/ 2nd POA 19/20 (half of 18 Balance for 2019/20 Less Payments on account Balance due /(overpaid)	500 2,000 (19 tax bill) /19 tax bill) made	(2,000)	1,000	31 January 2020
31 July 2020	2020/21 2021/22 1st POA 19/20 (half of 18/ 2nd POA 19/20 (half of 18 Balance for 2019/20 Less Payments on account	500 2,000 (19 tax bill) /19 tax bill) made	(2,000)	1,000	31 January 2020
31 July 2020	2020/21 2021/22 1st POA 19/20 (half of 18/ 2nd POA 19/20 (half of 18 Balance for 2019/20 Less Payments on account Balance due /(overpaid)	500 2,000 (19 tax bill) /19 tax bill) made	(2,000)	1,000	31 January 2020
31 July 2020	2020/21 2021/22 1st POA 19/20 (half of 18/ 2nd POA 19/20 (half of 18 Balance for 2019/20 Less Payments on account Balance due /(overpaid) 1st POA 20/21 (half of 19/	500 2,000 '19 tax bill) /19 tax bill) made '20 tax bill)	(2,000)	1,000 1,000	31 January 2020 31 July 2020
31 July 2020 31 January 2021	2020/21 2021/22 1st POA 19/20 (half of 18/ 2nd POA 19/20 (half of 18 Balance for 2019/20 Less Payments on account Balance due /(overpaid) 1st POA 20/21 (half of 19/ Total due /(refund)	500 2,000 '19 tax bill) /19 tax bill) made '20 tax bill)	(2,000)	1,000 1,000	31 January 2020 31 July 2020 31 January 2021
31 July 2020 31 January 2021 31 July 2021	2020/21 2021/22 1st POA 19/20 (half of 18/2nd POA 19/20 (half of 18 Balance for 2019/20 Less Payments on account Balance due /(overpaid) 1st POA 20/21 (half of 19/Total due /(refund) 2nd POA 20/21 (half of 19	500 2,000 (19 tax bill) /19 tax bill) made (20 tax bill)	(2,000) (500) 750	1,000 1,000	31 January 2020 31 July 2020 31 January 2021
31 July 2020 31 January 2021 31 July 2021	2020/21 2021/22 1st POA 19/20 (half of 18/2nd POA 19/20 (half of 18 Balance for 2019/20 Less Payments on account Balance due /(overpaid) 1st POA 20/21 (half of 19/Total due /(refund) 2nd POA 20/21 (half of 19 Balance for 2020/21	500 2,000 (19 tax bill) /19 tax bill) made (20 tax bill)	(2,000) (500) 750 500 (1,500)	1,000 1,000	31 January 2020 31 July 2020 31 January 2021
31 July 2020 31 January 2021 31 July 2021	2020/21 2021/22 1st POA 19/20 (half of 18/2nd POA 19/20 (half of 18 Balance for 2019/20 Less Payments on account Balance due /(overpaid) 1st POA 20/21 (half of 19/Total due /(refund) 2nd POA 20/21 (half of 19 Balance for 2020/21 Less Payments on account	500 2,000 (19 tax bill) (19 tax bill) made (20 tax bill) /20 tax bill) made	(2,000) (500) 750	1,000 1,000	31 January 2020 31 July 2020 31 January 2021
31 July 2020 31 January 2021 31 July 2021	2020/21 2021/22 1st POA 19/20 (half of 18/2nd POA 19/20 (half of 18 Balance for 2019/20 Less Payments on account Balance due /(overpaid) 1st POA 20/21 (half of 19/Total due /(refund) 2nd POA 20/21 (half of 19 Balance for 2020/21 Less Payments on account Balance due /(overpaid)	500 2,000 (19 tax bill) (19 tax bill) made (20 tax bill) /20 tax bill) made	(2,000) (500) 750 500 (1,500) (1,000)	1,000 1,000	31 January 2020 31 July 2020 31 January 2021
31 July 2020 31 January 2021 31 July 2021	2020/21 2021/22 1st POA 19/20 (half of 18/2nd POA 19/20 (half of 18 Balance for 2019/20 Less Payments on account Balance due /(overpaid) 1st POA 20/21 (half of 19/Total due /(refund) 2nd POA 20/21 (half of 19 Balance for 2020/21 Less Payments on account Balance due /(overpaid) 1st POA 21/22 (half of 20/	500 2,000 /19 tax bill) /19 tax bill) made /20 tax bill) made /21 tax bill)	(2,000) (500) 750 500 (1,500) (1,000)	1,000 1,000 250 750	31 January 2020 31 July 2020 31 January 2021 31 July 2021
31 July 2020 31 January 2021 31 July 2021 31 January 2022	2020/21 2021/22 1st POA 19/20 (half of 18/2nd POA 19/20 (half of 18 Balance for 2019/20 Less Payments on account Balance due /(overpaid) 1st POA 20/21 (half of 19/Total due /(refund) 2nd POA 20/21 (half of 19 Balance for 2020/21 Less Payments on account Balance due /(overpaid) 1st POA 21/22 (half of 20/Total due /(refund) 2nd POA 21/22 (half of 20/2nd P	500 2,000 /19 tax bill) /19 tax bill) made /20 tax bill) made /21 tax bill)	(2,000) (500) 750 500 (1,500) (1,000) 250	1,000 1,000 250 750	31 January 2020 31 July 2020 31 January 2021 31 July 2021 31 January 2022
31 July 2020 31 January 2021 31 July 2021 31 January 2022	2020/21 2021/22 1st POA 19/20 (half of 18/2nd POA 19/20 (half of 18 Balance for 2019/20 Less Payments on account Balance due /(overpaid) 1st POA 20/21 (half of 19/Total due /(refund) 2nd POA 20/21 (half of 19 Balance for 2020/21 Less Payments on account Balance due /(overpaid) 1st POA 21/22 (half of 20/Total due /(refund) 2nd POA 21/22 (half of 20 Balance for 2021/22	500 2,000 /19 tax bill) /19 tax bill) made /20 tax bill) /20 tax bill) made /21 tax bill)	(2,000) (500) 750 500 (1,500) (1,000) 250	1,000 1,000 250 750	31 January 2020 31 July 2020 31 January 2021 31 July 2021 31 January 2022
31 July 2020 31 January 2021 31 July 2021 31 January 2022	2020/21 2021/22 1st POA 19/20 (half of 18/2nd POA 19/20 (half of 18 Balance for 2019/20 Less Payments on account Balance due /(overpaid) 1st POA 20/21 (half of 19/Total due /(refund) 2nd POA 20/21 (half of 19 Balance for 2020/21 Less Payments on account Balance due /(overpaid) 1st POA 21/22 (half of 20/Total due /(refund) 2nd POA 21/22 (half of 20 Balance for 2021/22 Less Payments on account	500 2,000 /19 tax bill) /19 tax bill) made /20 tax bill) /20 tax bill) made /21 tax bill)	(2,000) (500) 750 500 (1,500) (1,000) 250 2,000 (500)	1,000 1,000 250 750	31 January 2020 31 July 2020 31 January 2021 31 July 2021 31 January 2022
31 July 2020 31 January 2021 31 July 2021 31 January 2022	2020/21 2021/22 1st POA 19/20 (half of 18/2nd POA 19/20 (half of 18 Balance for 2019/20 Less Payments on account Balance due /(overpaid) 1st POA 20/21 (half of 19/Total due /(refund) 2nd POA 20/21 (half of 19 Balance for 2020/21 Less Payments on account Balance due /(overpaid) 1st POA 21/22 (half of 20/Total due /(refund) 2nd POA 21/22 (half of 20/Balance for 2021/22 Less Payments on account Balance due /(overpaid)	500 2,000 (19 tax bill) (19 tax bill) made (20 tax bill) (20 tax bill) made (21 tax bill) (21 tax bill)	(2,000) (500) 750 500 (1,500) (1,000) 250 2,000 (500) 1,500	1,000 1,000 250 750	31 January 2020 31 July 2020 31 January 2021 31 July 2021 31 January 2022
31 July 2020 31 January 2021 31 July 2021 31 January 2022	2020/21 2021/22 1st POA 19/20 (half of 18/2nd POA 19/20 (half of 18 Balance for 2019/20 Less Payments on account Balance due /(overpaid) 1st POA 20/21 (half of 19/Total due /(refund) 2nd POA 20/21 (half of 19 Balance for 2020/21 Less Payments on account Balance due /(overpaid) 1st POA 21/22 (half of 20/Total due /(refund) 2nd POA 21/22 (half of 20/Total due /(refund) 2nd POA 21/22 (half of 20/Ealance for 2021/22 Less Payments on account Balance due /(overpaid) 1st POA 22/23 (half of 21/21)	500 2,000 (19 tax bill) (19 tax bill) made (20 tax bill) (20 tax bill) made (21 tax bill) (21 tax bill)	(2,000) (500) 750 500 (1,500) (1,000) 250 2,000 (500)	1,000 1,000 250 750 (750) 250	31 January 2020 31 July 2020 31 January 2021 31 July 2021 31 January 2022 31 July 2022
31 July 2020 31 January 2021 31 July 2021 31 January 2022	2020/21 2021/22 1st POA 19/20 (half of 18/2nd POA 19/20 (half of 18 Balance for 2019/20 Less Payments on account Balance due /(overpaid) 1st POA 20/21 (half of 19/Total due /(refund) 2nd POA 20/21 (half of 19 Balance for 2020/21 Less Payments on account Balance due /(overpaid) 1st POA 21/22 (half of 20/Total due /(refund) 2nd POA 21/22 (half of 20/Balance for 2021/22 Less Payments on account Balance due /(overpaid)	500 2,000 /19 tax bill) /19 tax bill) made /20 tax bill) made /21 tax bill) /21 tax bill) made /22 tax bill)	(2,000) (500) 750 500 (1,500) (1,000) 250 2,000 (500) 1,500	1,000 1,000 250 750	31 January 2020 31 July 2020 31 January 2021 31 July 2021 31 January 2022

Amount due £

Small Profit dip 2019/20, larger dip 2020/21, then recover to previous levels

Defer July 2020 pay	yment, adjust 2020/2	21 POAs to £275 based on estin	nated profit		
Tax bills (est)	2018/19	2,000			
ran omo (cot)	2019/20	1,500			
	2020/21	500			
	2021/22	2,000			
	,	_,		Amount due	£
31 January 2020	1st POA 19/20 (h	alf of 18/19 tax bill)		1,000	31 January 2020
31 July 2020	2nd POA 19/20 (0	31 July 2020
31 January 2021			1,500		•
,	Less Payments or	account made	(1,000)		
	Balance due /(ove		500		
		educed based on estimate)	275		
	Total due /(refun	d)		775	31 January 2021
31 July 2021	2nd POA 20/21 (reduced based on estimate)		275	31 July 2021
31 January 2022	Balance for 2020,	/21	500		
	Less Payments or	account made	(550)		
	Balance due /(ove	erpaid)	(50)		
	1st POA 21/22 (h	alf of 20/21 tax bill)	250		
	Total due /(refund)			200	31 January 2022
31 July 2022	2nd POA 21/22 (half of 20/21 tax bill)		250	31 July 2022
31 January 2023	Balance for 2021,	/22	2,000		
	Less Payments on account made (500)				
	Balance due /(ove	erpaid)	1,500		
	1st POA 22/23 (h	alf of 21/22 tax bill)	1,000		
	Total due /(refun	d)		2,500	31 January 2023
31 July 2023	2nd POA 22/23 (half of 21/22 tax bill)		1,000	31 July 2023
Small Profit dip 201	19/20, then recover	to previous levels			
Deferral of July 202	20 payment. Profits	recover 2020/21 due to Goverr	nment support		
Tax bills (est)	2018/19	2,000			
(<i>y</i>	2019/20	1,500			
	2020/21	2,000			
	2021/22	2,000			
	·	·		Amount due	£
31 January 2020	1st POA 19/20 (h	1st POA 19/20 (half of 18/19 tax bill)		1,000	31 January 2020
31 July 2020	2nd POA 19/20 (0	31 July 2020
, 31 January 2021	Balance for 2019/20		1,500		,
•	Less Payments on account made		(1,000)		
	Balance due /(overpaid)		500		
		alf of 19/20 tax bill)	750		
	Total due /(refun	•		1,250	31 January 2021
31 July 2021		half of 19/20 tax bill)		750	31 July 2021

	2020/21	2,000			
	2021/22	2,000			
				Amount due	£
31 January 2020	20 1st POA 19/20 (half of 18/19 tax bill)			1,000	31 January 2020
31 July 2020	2nd POA 19/20 (deferred)			0	31 July 2020
31 January 2021	Balance for 2019/20		1,500		
	Less Payments on account made		(1,000)		
	Balance due /(overpaid)		500		
	1st POA 20/21 (half of 19	9/20 tax bill)	750		
	Total due /(refund)		<u> </u>	1,250	31 January 2021
31 July 2021	2nd POA 20/21 (half of 1	19/20 tax bill)		750	31 July 2021
31 January 2022	Balance for 2020/21		2,000		
	Less Payments on accour	nt made	(1,500)		
	Balance due /(overpaid)		500		
	1st POA 21/22 (half of 20	0/21 tax bill)	1,000		
	Total due /(refund)		· · · · · · · · · · · · · · · · · · ·	1,500	31 January 2022
31 July 2022	2nd POA 21/22 (half of 2	20/21 tax bill)		1,000	31 July 2022
31 January 2023	Balance for 2021/22		2,000		
	Less Payments on accour	nt made	(2,000)		
	Balance due /(overpaid)		0		
	1st POA 22/23 (half of 2:	1/22 tax bill)	1,000		
	Total due /(refund)		<u> </u>	1,000	31 January 2023
31 July 2023	2nd POA 22/23 (half of 2	21/22 tax bill)		1,000	31 July 2023