

# £11 billion boost for taxpayers facing difficulty due to coronavirus (COVID-19)

Anyone who has difficulty paying their second 2019 to 2020 Self Assessment payment on account can take advantage of automatically deferring the payment until 31 January 2021, HMRC is reminding taxpayers.

The second Self Assessment payment on account for 2019 to 2020 is ordinarily due at the end of July, but the government previously announced it is supporting the self-employed and others by allowing them to defer this payment.

This option to defer is on top of additional support for the self-employed through £7.8 billion in grants paid through the Self Employment Income Support Scheme.

The payment on account deferral will give immediate support to businesses and individuals by keeping cash at their disposal during this extraordinary time of uncertainty.

To make this as hassle-free as possible customers will not need to contact HMRC to defer their payment on account – they opt into the deferral by simply not paying their tax bill due by 31 July 2020.

If no payment is received, HMRC will automatically update their systems to show payment has been deferred and no interest or penalties will be incurred, providing it is paid in full by 31 January 2021.

The only action customers may need to take is to cancel their direct debit if they have one set up for their payments on account.

Angela MacDonald, HMRC's Director General of Customer Services, said:

We want to support taxpayers as much as possible as they face uncertainty and difficult circumstances. That's why we want to remind those who may struggle to pay a tax bill right now that they have the option to defer their Self Assessment payment.

They don't need to do anything to take advantage of this deferral. By simply not paying, HMRC will know they have deferred and we will do the rest.

A projected estimate based on 2019 to 2020 Self Assessment receipts suggests that the July payment deferral will provide up to a £11.8 billion cash flow boost to taxpayers. Around 2.7 million taxpayers are eligible for deferral.

Self Assessment taxpayers should think carefully about whether deferral is right for them. It's important to remember that the deferred amount will be due on 31 January 2021, the same date that any 2019 to 2020 balancing payment and first 2020 to 2021 payment on account will be due. This could mean 3 separate payments are due all at once.

They may wish to contact HMRC about paying these combined amounts in installments if they have difficulty in paying them all in full at once.

Payments on account are payable by Self Assessment taxpayers by 31 January and 31 July each year, unless:

- their last Self Assessment tax bill was less than £1,000
- they have already paid more than 80% of all the tax they owe at source, for example through their [tax code](#).

Each payment on account is estimated, based on 50% of the previous year's Self Assessment tax bill and they are advance payments towards the current year's tax bill.

[Guidance on deferring your Self Assessment payment on account](#) is available on GOV.UK.

Payments on account include Income Tax, Class 4 National Insurance contributions where applicable, but not student loan repayments or Capital Gains Tax.

The July 2020 payment on account deferral applies to all those businesses and individuals who have registered for Self Assessment and who make payments on account – no sectors or businesses are excluded from applying the deferral.