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## Top 4 Facts Americans Living in the UK Should Know About Taxes

By David McKeegan

### 1. You May Need to File a Self-Assessment Tax Return

There are specific thresholds that require you to file a UK tax return, and it's fairly common for a US citizen living in the UK to need to file a Self-Assessment Tax Return. However, if Her Majesty's Revenue & Customs (HMRC) determines you've paid enough tax through payroll withholding, you will not be sent a tax form nor will you need to file – unless you have other types of income.

Other income sources would include self-employment or investment income and things such as:

- Rental property income
- Profits from selling shares, a second home or other assets resulting in capital gain
- Income earned from non-UK sources while you lived in the UK
- Claiming child benefits and you or your partner's income was above £50,000
- If your income was £100,000 or more

You may also want to file UK taxes in order to claim deductions, which can reduce your tax liability or provide you with a refund from HMRC.

### 2. Your Residency Status Determines If You're Taxed on Worldwide Income in the UK

You will only need to report worldwide income on your UK Self-Assessment Tax Return if you're considered to be a UK resident. To be considered a tax resident, one of the following must apply:

- You spend 183 days or more in the UK, or
- Your only home was in the UK – one that you've owned, rented, or lived in for at least 91 days – and you spent at least 30 days there in the tax year

If one of these qualifies you as a UK resident, you'll need to report worldwide income, including wages, salaries, rental income on foreign property, investment and savings interest and pension income. Fortunately, there are ways to prevent double taxation, since you'll also be required to report worldwide income on your US expat taxes.

### 3. There are Two UK Filing Deadlines, Depending On How You File

The tax year in the UK runs from April 6th to April 5th of the following year. The deadline you need to adhere to depends on how you choose to submit your return – either on paper or e-filed.

- October 31st (of the tax year) – Deadline if paper filing
- January 31st (of the year following tax year) – Deadline if e-filing

In either circumstance, HMRC does not offer extensions, so it's very important to ensure you've filed on time to avoid penalties and interest.

### 4. The US Expat Tax Deadline is Right Around the Corner

While you may be thinking about your UK taxes now that the tax year just ended, don't forget about the US expat tax deadline quickly approaching! Here are the important dates you should be aware of when it comes to US taxes:

#### June 15th

- This is the expat tax deadline (as Americans abroad receive an automatic two-month extension following Tax Day).
- If you need a further extension until the October deadline, request it by this date.
- Any tax owed was due on Tax Day (April 18th) and interest began accruing after that date. If you think you owe taxes, you should make a payment even if you're not quite ready to file your tax return.
- Your Foreign Bank Account Report (FBAR) is also due on this date, as the deadline now follows the US tax deadlines.

#### October 16th

• This is the final tax deadline for all Americans who filed an extension request by the June 15th deadline. • This is also the final deadline for filing FBAR, as all US citizens are receiving an automatic extension to help become acclimated to the new deadline change. Where to Begin If you're an American living in the UK, there are several important deadlines coming up. Since your US expat taxes are due by June 15th, you'll want to start by gathering important documents – whether you plan to file your own taxes or enlist the help of a tax professional, having pertinent information at your fingertips will help the process go more smoothly! Review this list of documents needed for tax preparation as a guide. And, of course, don't forget about the UK tax deadline coming up later in the year! This post was written by David McKeegan, co-founder of Greenback Expat Tax Services. Greenback specializes in the preparation of US expat taxes for Americans living abroad, and also offers tax prep for UK tax needs. Greenback offers straightforward pricing, a simple, hassle-free process, and CPAs and IRS Enrolled Agents who have extensive experience in the field of expat tax preparation. For more information about FBAR, expat taxes or Greenback, please visit [www.greenbacktaxservices.com](http://www.greenbacktaxservices.com).

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