

i Contacts

To download the form and related helpsheets go to

hmrc.gov.uk/sa104s

For more information about Self Assessment go to

hmrc.gov.uk/sa or
hmrc.gov.uk/sacontactus

i Information

- Go to hmrc.gov.uk/contactus
- Phone the SA Helpline on **0300 200 3310**.
- Phone the SA Orderline on **0300 200 3610** for paper copies of the helpsheets and forms.

Who should complete the *Partnership (short)* pages?

If, at any time during the 2013–14 tax year, you were entitled to a share of profits, losses or income from a business which you carried on in partnership, you must fill in either the *Partnership (short)* or (*full*) pages.

You are also jointly responsible, with your partners, for completing the Partnership Tax Return for 2013–14. If that return is not sent back on time, each partner who was a member of the partnership during the return period may be charged a £100 automatic initial penalty.

The Partnership Statement

The Partnership Tax Return includes a summary of the share of profits, losses or income allocated to you during any period for which you were a member of the partnership. This summary is called the ‘Partnership Statement’ and you should use the information in that Statement to complete your *Partnership* pages.

There are two types of Statement.

- A ‘short’, or abbreviated, version for partnerships that only have trading income, and taxed bank or building society interest (or alternative finance receipts).
- A ‘full’, unabridged, version covering all the possible types of partnership income you might receive.

Completing the *Partnership (short)* pages

Most partnerships will only need to complete the short Partnership Statement. If your partnership has completed this, complete the *Partnership (short)* pages. However, if your partnership completes the full Partnership Statement, you should complete the *Partnership (full)* pages.

If you were a member of more than one partnership, or the partnership carried on more than one business, there will be separate Partnership Statements for each:

- partnership of which you were a member
- business if the partnership carried on more than one business.

In these circumstances you must complete a set of the relevant *Partnership* pages for each partnership and/or business. Either photocopy blank pages you already have, go to hmrc.gov.uk/selfassessmentforms or phone the Self Assessment Orderline for more copies. If you use photocopies, please put your full name and Unique Taxpayer Reference (UTR) at the top.

Do not give details of your share of the proceeds from the disposal of partnership chargeable assets (for example, shares or property) in these pages. Give details in the *Capital gains summary* pages instead, unless:

- the total value of all the assets you disposed of in 2013–14 (through the partnership or otherwise) is no more than £43,600, and
- your total chargeable gains do not exceed £10,900 (no tax will be due).

Page TRG 5 of your Tax Return Guide has more information.

Usually you will need to complete the *Partnership* pages if you were a partner during the year ended 5 April 2014 and the *Self-employment* pages if you were also self-employed during that period. Where you carried on the same business during the year, and were self-employed for part of the year and in partnership for part, follow the guidance in the 'Changing between self-employment and partnership' section on page SPN 8.

Partnership details

Boxes 1 and 2

Make sure you complete boxes 1 and 2 for each set of pages you fill in. Enter in box 1 the partnership tax reference from the Partnership Tax Return. If you are a partner in a foreign partnership, you will not have a partnership tax reference. In this circumstance enter your own Unique Taxpayer Reference (UTR) in box 1.

Boxes 3 and 4 *Date of joining or leaving*

If you became a partner after 5 April 2013, enter the date you joined the partnership in box 3. If you stopped being a partner before 6 April 2014, enter the date you left the partnership in box 4. Leave these boxes blank if you changed from self-employment to partnership or partnership to self-employment during 2013–14.

Box 5 *Cash basis*

Put an 'X' in box 5, if the partnership used the cash basis to calculate its profit or loss for 2013–14 from trading activities. If this is the case there will be an 'X' in box 3.9 of the Partnership Tax Return.

For more information about cash basis, download Helpsheet 222 *How to calculate your taxable profits* from hmrc.gov.uk/helpsheet222 or phone the Self Assessment Orderline for a copy.

Your share of the partnership's trading or professional profits

Boxes 6 and 7 *Basis period*

You pay tax for 2013–14 on the profits, and claim relief for the losses, of your 'basis period'. After the first one or two years as a partner, your basis period will be the same as the partnership's accounting period, unless the partnership changes its accounting date. For example, if the partnership's accounting date is 31 December and you became a partner on 1 January 2013, your basis period for 2013–14 is the 12 months from 1 January 2013 to 31 December 2013.

However, in the first year or two as a partner, or when you leave the partnership, your basis period may not be the same as the partnership's accounting period. Full details of the rules to work out your basis period are in [Helpsheet 222 *How to calculate your taxable profits*](#).

Enter in box 6 the date on which your basis period for 2013–14 started and in box 7 the date on which it ended.

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Boxes 8 and 9 Profit or loss amount and basis period adjustment

If your basis period is the same as the partnership's accounting period, enter in box 8 your share of the partnership's profit or loss from box 11 or box 12 of your personal allocation column on page 7 of the Partnership Statement (enter a loss by putting a minus sign (–) in the shaded box next to the £ sign) and ignore box 9.

In any other case, you will need to work out the profit or loss of the basis period and then compare this with your share of the profit or loss for the partnership's accounting period ended in 2013–14 and entered in box 8. If no accounting period ends in 2013–14, enter in box 8 your share of the partnership's profits or loss for the period 6 April 2013 to 5 April 2014. Enter in box 9 the adjustment needed, that is, the amount to be added to or subtracted from the figure in box 8, to arrive at the profit or loss for the basis period. [Helpsheet 222 How to calculate your taxable profits](#) explains how to work out the adjustment. If the adjustment is an amount which needs to be subtracted from box 8, put a minus sign in the shaded box next to the £ sign and subtract the adjustment in arriving at your total taxable profit.

Example

A partnership prepares its accounts to 30 September each year. Partner A became a partner on 1 July 2013. Partner A's allocation of the partnership profit is:

- period to 30 September 2013 £15,000
- year ended 30 September 2014 £60,000

Partner A's basis period for 2013–14 is 1 July 2013 to 5 April 2014 and profits are calculated as follows:

- 1 July 2013 to 30 September 2013 £15,000 (enter in box 8)
- 1 October 2013 to 5 April 2014 ($\frac{6}{12} \times £60,000$) £30,000 (enter in box 9)

If you are unable to complete box 9 because the partnership cannot prepare the accounts from which you could work out the adjustment before the date for sending your tax return, you should provide a provisional amount. Put an 'X' in box 20 on page TR 8 of your tax return and say in the 'Any other information' box, box 19, which boxes are provisional, why you could not give final figures, and an approximate date on which you expect to give your final figures.

Box 10 Adjustment for change of accounting practice

If the partnership is carrying on a trade or profession and has received income from contracts for professional or other services there may be an adjustment shown in box 11A on your Partnership Statement. If there is, enter it in box 10.

Box 11 Averaging adjustment

If the partnership:

- carries on the business of farming or market gardening, or
- has income from selling or allowing others to reproduce literary or artistic works which were created by one or more of the partners

you may be able to claim averaging. [Helpsheet 224 Farmers and market gardeners](#) and [Helpsheet 234 Averaging for creators of literary or artistic works](#) give more information.

Enter in box 11 the amount by which your profit is changed by the averaging claim. Put a minus sign in the shaded box if the adjustment reduces your profit. This entry does not change the amount of any loss to be included in box 21. If you work out your tax bill, you must also include in the *Tax calculation summary* page, the adjustment to your tax for 2012–13 resulting from the averaging claim. Use box 14 if the adjustment is an increase in the tax or box 16 if it is a reduction.

Box 12 *Foreign tax claimed as a deduction*

Use box 12 to claim credit for foreign tax deductions but only if you are not claiming Foreign Tax Credit Relief in the *Foreign* pages. For more information read [Helpsheet 263 Calculating Foreign Tax Credit Relief on income](#).

Boxes 13 and 14 *Overlap profits and overlap relief*

If the partnership's accounting date is a date other than 5 April, overlaps in your basis periods may occur:

- in the first three years after you become a partner – see the notes on boxes 5 and 6, or
- in a year in which there is a change in the partnership's accounting date.

Since you are taxed on your share of the partnership profits for a particular basis period, overlaps in your basis periods would mean that you may be taxed more than once on the same profits. To avoid this, you may be able to claim overlap relief for the profit (the overlap profit) in any overlap period.

Overlap relief may be due for 2013–14 if:

- you ceased to be a partner in 2013–14, or
- the partnership's business ceased in 2013–14, or
- the partnership changed its accounting date in 2013–14 and your basis period, as shown in boxes 6 and 7, is more than 12 months.

If so, use [Helpsheet 222 How to calculate your taxable profits](#) to work out overlap profits and to find out how to claim overlap relief. Enter in box 13 the amount of any overlap relief used in 2013–14, and enter in box 14 the amount of any unused overlap profit carried forward to 2014–15.

Box 15 *Your share of business premises renovation allowance (BPRA)*

Enter your share of the partnership's BPRA from box 12A of the Partnership Statement.

Box 16 *Adjusted profit for 2013–14*

Use the Working Sheet on page SPN 5 to work out the adjusted profit for 2013–14.

Box 17 *Losses brought forward from earlier years set off against this year's profit*

You may deduct from the amount of adjusted profit in box 16 any losses for 2013–14 or earlier years which you claimed to carry forward against later profits from the same partnership. The maximum amount you can enter in box 17 is the adjusted profit figure in box 16.

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Box 19 Any other business income not included in the partnership accounts

Enter in box 19 any amounts that have not been included in the partnership accounts but which you need to work out your taxable profits for the year to 5 April 2014. This will usually have been paid to you rather than the partnership as professional income received in a personal capacity and therefore will not have been included in the Partnership Tax Return.

Box 20 Your share of total taxable profits from the partnership business

Use the Working Sheet below to work out your share of the total taxable profit.

Your share of the partnership's trading or professional losses

If the partnership made a loss for 2013–14, you may be able to claim tax relief for your share of that loss. [Helpsheet 227 Losses](#) has more information about claiming loss relief and includes a Working Sheet to help you keep track of your losses.

Time limits

Some claims must be made by 31 January 2016. Make sure that any claims you wish to make are made within the time limit prescribed. We cannot usually accept late claims.

Box 21 Adjusted loss for 2013–14

Use the Working Sheet below to work out the adjusted loss for 2013–14.

Working Sheet for taxable profits or adjusted loss

Put a minus sign (–) before any loss or negative number

Start with your share of the partnership's profit or loss <i>box 8</i>	£	
Add		
Positive adjustment for basis period <i>box 9</i>	£	
Total		A £
Minus		
Negative adjustment for basis period <i>box 9</i>	£	
Foreign tax claimed as deduction <i>box 12</i>	£	
Overlap relief used this year <i>box 13</i>	£	B £
Total <i>box A minus box B</i>		C £

If the amount in box C is positive (a profit)**Add**

Adjustment for change of accounting practice box 10

D £ **Add**

Positive averaging adjustment box 11

E £

Or Minus negative averaging adjustment box 11

F £ Adjusted profit (box C + box D + box E) or
(box C + box D minus box F)G £ **Minus**

Losses brought forward box 17 - up to the amount in box G

H £

Total box G minus box H

I £ **Add**

Any other business income box 19

J £ Your share of total taxable profits - copy to box 20
box I + box J£ **Or, if the amount in box C is negative (a loss) or zero**

Copy the amount in box C (the adjusted loss) to box 21 but enter it as a positive figure (do not include the minus sign in box 21).

If you have entered an amount in box 10 and/or a positive averaging adjustment in box 11, enter the sum of the amounts in boxes 10 and 11 in box 16, as well as entering the adjusted loss in box 21 (do not include the minus sign).

Box 22 Loss from this tax year set off against other income for 2013-14

You can claim relief for the 2013-14 loss by reducing your other taxable income for 2013-14. From 2013-14 there is a limit on the amount of income tax relief that an individual may claim for deduction from their total income in a tax year. The limit in each tax year is the greater of £50,000 or 25 per cent of the individual's adjusted total income. If you are, or think you could be impacted by the limit, please read [Helpsheet 204 Limit on Income Tax reliefs](#). Enter the amount you are claiming to set off in box 22. The loss you claim in box 22 will usually be the whole of the loss, but your total income minus deductions cannot be reduced below zero. So, the figure you put in box 22 should be no higher than your total income minus deductions. If you have already made a claim for relief for the loss, you should still include the loss in box 22, and provide details in the 'Any other information' box, box 19 on page TR 7 of your tax return. You can claim any remaining loss, or if you have no taxable income the whole of the loss, by reducing your capital gain for 2013-14. Enter the loss you are claiming in box 16 on the *Capital gains summary* pages.

Do not complete this box if the partnership used the cash basis.

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Box 23 *Loss to be carried back to previous year(s) and set off against income (or capital gains)*

If you want to claim relief for the 2013–14 loss by setting it against income of an earlier year, or years, enter the amount of the loss to be carried back in box 23. If you have already made a claim for the relief to be calculated in this way, you should still include the loss in box 23, and provide details of the loss to be carried back now, or already carried back, in the ‘Any other information’ box, box 19, on page TR 7 of your tax return.

If the partnership used the cash basis, the only claim you can make is for terminal loss relief. For information on terminal losses, read [Helpsheet 222 How to calculate your taxable profits](#).

Box 24 *Total loss to carry forward after all other set-offs – including unused losses brought forward*

If you wish to claim relief for your loss by carrying it forward to set against future profits, enter the amount of the unused loss to be carried forward, along with any loss brought forward from earlier years, in box 24.

Class 4 National Insurance contributions (NICs)

Class 4 National Insurance contributions (NICs) must be paid by all partners unless they are exempt or deferment applies. The contributions are calculated as a percentage rate of taxable profits above £7,755 for the tax year 2013–14.

Box 25 *If you are exempt from paying Class 4 NICs*

You are exempt from paying Class 4 NICs if:

- on 6 April 2013 you were
 - at or over State Pension age, at the beginning of the year of assessment (including if you reach State Pension age on 6 April), or
 - under 16 and the National Insurance Contributions and Employer Office (NIC&EO) has granted you an ‘exception’, or
- during 2013–14 you were not resident in the UK for tax purposes (if you are not sure whether this applies to you please contact us or your tax adviser).

Put an ‘X’ in box 25 if one of these conditions applies. Do not complete box 26 (Class 4 NICs deferment) or box 27 (Class 4 NICs profit adjustment).

Box 26 *If you have been given a 2013–14 Class 4 NICs deferment certificate*

If you are employed as well as self-employed, the NIC&EO may agree that some of your Class 4 NICs can be deferred until your overall contributions can be determined.

If your application for deferment is agreed they will send you a certificate of deferment (form CA2703). Only put an ‘X’ in box 26 if you have already been given a certificate of deferment. If you want to apply for deferment please contact us.

Box 27 *Adjustment to profits chargeable to Class 4 NICs*

There are adjustments that reduce the amount of Class 4 NICs payable: adjustments for changes in accounting practice, certain losses from earlier years, and earnings as an employee which have been included in your profits. [Helpsheet 220 More than one business](#) gives more information.

Your share of the partnership taxed interest etc.

You must include in the *Partnership* pages your share of any partnership investment income – that is, income other than trading or professional income – as shown on the Partnership Statement.

If your only share of investment income was interest (or alternative finance receipts) with tax deducted from a UK bank or building society you can use the *Partnership (short)* pages. Otherwise download the [Partnership \(full\)](#) pages and *notes* and complete those instead.

Enter in box 28 your share of any bank and building society interest (and alternative finance receipts) with tax taken off received in the year ended 5 April 2013, from box 22 on your Partnership Statement.

Your share of the partnership tax paid and deductions

Box 29 *Your share of Income Tax taken off partnership income*

Enter in box 29 your share of the tax taken off from any bank and building society interest and so on, during the year ended 5 April 2014 from box 25 on the Partnership Statement.

Box 30 *Your share of CIS deductions made by contractors*

If the partnership was a subcontractor in the construction industry, it may have received some payments under the Construction Industry Scheme. Enter in box 30 your share of any deductions made by contractors on account of tax from payments made to the partnership during the year ended 5 April 2014. This will be shown in box 24 of your Partnership Statement.

Box 31 *Your share of any tax taken off trading income (not contractor deductions)*

Enter in box 31 your share of any tax taken off trading income, for example, royalties, from box 24A on your Partnership Statement.

Changing between self-employment and partnership

Step 1

Work out your basis period for the 2013–14 tax year (using the notes for boxes 6 and 7 on page SPN 2).

Step 2

Do not put the date of change from self-employment to partnership, or partnership to self-employment, in either box 3 or box 4 of the *Partnership* pages.

Step 3

Check whether the accounts information for any accounting period relating to your basis period (that is, if any part of the accounting period falls within the basis period) has been given in the Partnership Tax Return.

Step 4

If it has, you should complete the *Partnership* pages and work out your taxable profit or allowable loss for this year. This will be based on:

- your share of the partnership profit or loss shown in the Partnership Statement, together with
- the profit or loss of any accounting period affecting your basis period during which the business was not carried on in partnership for which you have entered details in boxes 9 to 32 in the *Self-employment (short)* pages, or boxes 15 to 76 in the *Self-employment (full)* pages.

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Step 5

Otherwise, enter the accounts information in boxes 9 to 32 in the *Self-employment (short)* pages or boxes 15 to 76 and 83 to 99 in the *Self-employment (full)* pages. Complete the remaining boxes in those pages to work out your taxable profit or allowable loss for this year. Do not complete the *Partnership* pages.

Other information

Compensation for slaughter of farm animals

If your partnership has suffered compulsory slaughter of farm animals which are not covered by a herd basis election, you can claim under Extra Statutory Concession B11 to:

- deduct your share of the profit arising from the compensation from your share of profit taxed for the period when the slaughter took place, and
- spread the amount deducted over the following three tax years (or the period to when you cease to be a partner if that was shorter).

Keep a note to make sure you do not overlook these adjustments, which should be entered in box 9.

If the adjustments are reducing profits put a minus sign (–) in the shaded box next to the £ sign. If you have another adjustment to go in box 9 then add the two together and put the result in box 9. Use the ‘Any other information’ box, box 32 to explain any entries in box 9.

For more information about ESC B11 read [Helpsheet 224 Farmers and market gardeners](#).

Intermediaries legislation – IR35

If the partnership provided your services to clients in circumstances where you would be an employee if you worked for the client directly and not through the partnership, then the rules about tax and National Insurance contributions, introduced from 6 April 2003, may apply. See the section ‘The provision of personal services through a partnership – deemed employment payment’ starting on page PTRG 17 of the Partnership Tax Return Guide. It tells you what adjustments are to be made to your taxable income and where these should be entered on your tax return.

Disputed profits

Before following the guidance under this heading you should read paragraph 7025 of HMRC’s Enquiry Manual. There may be a genuine disagreement that cannot be resolved between the partners as to the correct share of partnership profits, losses or income for partners to include in their personal returns. In these exceptional circumstances only, you should enter the amount(s) you consider to be correct. Wherever we ask you to enter an amount from the Partnership Statement and you enter a different amount, you must provide additional information in box 32 on page SP 2 to show:

- your share of the partnership’s profit, loss or income from the Partnership Statement
- the disputed amount that you have added or deducted
- your explanation as to why the profit, loss or income allocated to you in the Partnership Statement is wrong.

These notes are for guidance only and reflect the position at the time of writing. They do not affect the right of appeal.