

MSF ASSOCIATES

10 Tax Tips Every UK Business Owner Should Know

Simple. Legal. Exposed.

*"Most of these take 5 minutes to action.
All of them save you real money."*

10 Tips. Zero Jargon. Real Savings.

Whether you're a sole trader, limited company director, or just starting out — these 10 tips apply to almost every UK business owner. Each one is HMRC-compliant, easy to understand, and **actionable today**.

0

Separate Your Business and Personal Money

This is rule number one. Open a dedicated business bank account and run every business transaction through it. It makes your bookkeeping cleaner, your tax return easier, and keeps HMRC happy if they ever ask questions. Mixing the two is the fastest way to lose track of what you owe.

1

➤ **Action: Open a business account this week. Most are free.**

0

Claim Your Use of Home

If you work from home even part-time, your company can pay you for the use of your home — tax-free. HMRC allows a flat £6/week with no receipts, but claim your actual costs (rent/mortgage interest, council tax, utilities, broadband) and you could claim £1,500–£4,000/year.

2

➤ **Action: Calculate your home office percentage and claim it.**

0

Track Every Business Mile

You can claim 45p per mile for the first 10,000 business miles, then 25p after that. Client visits, bank trips, supplier meetings, networking events — it all counts. Most business owners massively undercount because they don't track. A free mileage app fixes this instantly.

3

➤ **Action: Download a mileage tracker app today. Start logging.**

0

Set Aside Tax from Day One

Don't wait until January to figure out your tax bill. Set aside 25–30% of every payment you receive into a separate savings account the day it lands. When the tax bill comes, the money is already there. No panic. No payment plans. No interest charges.

4

➤ **Action: Set up a standing order to a "tax pot" account today.**

05 Use Your Annual Investment Allowance

Buying a laptop, phone, office furniture, or equipment for your business? You can deduct the full cost from your profits in the year you buy it, up to £1 million under the Annual Investment Allowance. Time big purchases before your year-end to reduce your tax bill immediately.

➤ **Action: Review any planned purchases. Buy before your year-end.**

06 Don't Forget Trivial Benefits

If you're a limited company director, your company can give you non-cash gifts worth up to £50 each, capped at £300/year. Gift cards, birthday dinners, small gadgets — all tax-free and NI-free. If your spouse is a director too, that's £600 combined.

➤ **Action: Buy a £50 gift card through the business this month.**

07 Get Your Pension Working Harder

Pension contributions made by your company are a deductible business expense — they reduce your corporation tax bill AND aren't subject to NI. You can contribute up to £60,000/year, and carry forward unused allowances from the last 3 years. This is one of the most powerful tax tools available.

➤ **Action: Check your unused pension allowance. Speak to your accountant.**

08 Claim Professional Subscriptions and Training

Any course, membership, book, or subscription that's relevant to your business is a legitimate expense. Industry memberships, online courses, coaching, software, even business podcasts with a paid tier. Most people pay for these personally and never claim them.

➤ **Action: List everything you've paid for this year. Put it through the business.**

You're already 80% of the way through. Two more tips that could save you the most...

0 Optimise Your Salary vs Dividends Split

If you're a limited company director, taking a small salary up to the NI threshold and the rest as dividends is almost always more tax-efficient than taking everything as salary. The exact split depends on your circumstances, but getting this right can save you £5,000–15,000+ per year on profits over £50k.

➤ **Action: Ask your accountant to calculate your optimal split for this tax year.**

1 Plan Before Your Year-End, Not After

The single highest-value thing you can do is review your tax position 2–3 months before your financial year ends. That's when you still have time to bring forward expenses, make pension contributions, declare dividends, write off bad debts, and optimise your structure. After year-end? You're stuck with whatever happened.

➤ **Action: Put a reminder in your calendar 3 months before your year-end. Book a review.**

Implement All 10?

Most UK business owners who apply even half of these tips save
£5,000 – £20,000+ per year in tax — legally.

Disclaimer: This guide is for general informational purposes only and does not constitute tax, legal, or financial advice. Tax rules and rates are subject to change. Every business's circumstances are different. Always seek personalised professional advice before making tax decisions.