

Business Finance Part 4: Understanding Business Tax

Focus:

Tax is a compulsory financial charge or some other type of levy imposed on a taxpayer by a governmental organisation in order to fund government spending and various public expenditures. Tax requirements for business vary based on how your business is structured and where it is located in the world as different governments tax businesses differently. Taxes will also vary by business income, profits, whether you sell products or services, and many other distinct conditions. In this video, we'll talk about the different types of tax, how it's calculated and what you need to be aware of.

Common problems/mistakes:

- Failure to understand what tax is and how it works;
- Failure to keep a record of income and expenses;
- Mixing up personal and business finances.

Why is it important:

- Paying tax is a legal requirement;
- You are able to claim everything you are entitled to;
- Avoid large tax bills and potential tax investigations.

Screen share:

Template/checklist:

Tips for success:

- Know when the important deadlines are;
- Seek help from an accountant if you need it;
- Always set aside money for your tax bill.

Task:

Do some further research around tax, understand the key dates and documents you need to be aware of and start preparing for your tax liabilities.

IMPORTANT NOTE: Hustle & Heels is not providing tax advice and this video is not intended to serve as tax advice. If you would like UK related tax advice that is personal to you and your business, please book a session in with a Hustle & Heels advisor by clicking [here](#). Please also note, tax obligations differ from country to country and these videos are largely based on experiences of UK based businesses as at 2020/2021.