Creating a new tax document
Open a new file by clicking on the icon or by selecting File|New from the menu.

Entering data into a tax document
You can enter data either by using the Interview process or the   Navigator panel.
Enter data by moving the cursor into the appropriate field and clicking on it. You can then use the tab key to move to the next field.

Saving your tax document
Give your .tax file a name and save it at regular intervals by using the icon or selecting File| Save from the menu.

Opening a tax document
Use the icon or select File|Open from the menu to open an existing TaxCalc '98 .tax file.

Entering dates and figures
Dates should be entered in the format 'dd/mm/yy' where d=day, m=month and y=year, so that the 15 August 1995 would become 15/08/95. You do not have to enter the separating slashes ('/'), TaxCalc will do this for you.

Do not enter pound signs ('£'), TaxCalc will do this for you. When filling in details of your income, **round down** each total to the nearest £. Round up amounts for tax credits and tax deductions.

Status lines
The status line lies across the bottom of the application window. It is used to show messages relating to what you are doing on the screen. When you click on a field or move there using the tab key the status line shows you a brief message about what information is required for that field.

Button bar
The button bar lies underneath the main menu and contains the Taxcalc icons. Each icon allows you to perform commonly used actions (for example File|Open, File|Save) with one click of the mouse.

As you drag your mouse over the icons on the button bar you will see a message appear on the status line telling you what the functions of the buttons are. See the TaxCalc User Guide

for a full explanation of the icons.

If you are unfamiliar with how to use Windows help, select Help|How to use help from the menu in the context-sensitive help screen, this gives very detailed information on how to use help.

Context-sensitive help
A significant part of the value of TaxCalc is its comprehensive context-sensitive help.

This can be accessed by clicking the **right-hand mouse button** when you are using TaxCalc. In all cases you will receive a relevant help screen which should cover any queries you have.

Other help available
As well as the extensive context-sensitive help, TaxCalc also contains a great deal of background information. We strongly recommend you review all the topics shown on the introductory screen to give you a good understanding of the tax issues involved.

'You and the Inland Revenue' is especially useful if you have little experience of tax or dealing with the Inland Revenue. It also contains over 40 tax-saving tips and the latest information on self assessment.

'Leaflets' contains a brief description of many Inland Revenue leaflets so you can decide which is the right one for you, plus the full text of several of those most commonly requested.

'Help Sheets' contains a brief description of many Inalnd Revenue Hslp Sheets, plus the full text of several of those most commonly requested.

Once you have saved all your data and TaxCalc has optimised your tax position to your satisfaction you can view and print out your facsimile tax return form. You can select the basic eight-page return by clicking the icon on the tool bar. To view the Supplementary Pages, use the 'Forms' item in the drop-down menu.

You can test the form printing and print yourself a draft copy for checking or for your records by using draft mode, either by clicking the icon on the tool bar or by selecting the option from the 'Print' item on the menu.

Important Note
Although TaxCalc offers you this draft printing facility, a draft copy **will not be acceptable** to the Inland Revenue as a tax return form.

You must send them either a colour or black and white copy of the facsimile form, which has been approved.

If you have a colour printer, you can print the forms out in colour, though a black and white facsimile is equally acceptable to the Revenue.

If you wish to print your return form on coloured paper (so as to be able to readily distinguish originals from photocopies, for instance), it will be acceptable for a cream or other pale pastel coloured paper to be used. It is important, though, that all printed matter (background text and data entries) is clear and easy to read on coloured paper. The form must be suitable for producing clear photocopies. **Dark or bright colours of paper must be avoided**. The Inland Revenue are happy to advise on the acceptability of any coloured paper which you might be considering, if a specimen printed page can be supplied prior to usage.

You should print your return form on A4-sized paper.

The sheets of must be assembled in the correct sequence and be wire-stapled together. Loose sheets will not be acceptable to the Revenue. Stapling should be in the top left-hand corner or in the left-hand margin. Care should be taken to ensure that all text on each page is visible after printing.

Note
As the Revenue insists on a close facsimile of the tax return form, TaxCalc has to create a very large bitmap file and sometimes printing can take longer than we would like. You should select a portrait A4 page with the smallest margins your system will allow.

Help Sheets

Takes you to TaxCalc's help Sheets section containing the full text of eleven of the Inland Revenue's help Sheets plus a list of other help Sheets available.

TaxCalc is based on the concept of a tax document. This contains all the details necessary to calculate your tax liability as accurately as possible and to complete the information required by the Inland Revenue on your tax return.

You tax document is stored in a file with a **.tax** file extension.

> **Note**
> TaxCalc 1997-98 will read tax document files created with Taxcalc 1996-97, but may only display limited data up to first employment. If you use this facility please edit your data carefully.

The user interface

TaxCalc allows you to enter data into the tax document in two ways: firstly, by stepping through the data entry process in an interview; secondly, by using the Navigator panel. We recommend that you use the <u>Interview</u> process at first to help you become familiar with TaxCalc.

The correct sequence for getting the best from TaxCalc is as follows.

Read the User Guide to give you a good idea of <u>how TaxCalc is structured</u>.

<u>Explore the help files</u> and print out any relevant topics

Read and print out the <u>check list</u> and collect together all the data you will need to complete your tax return.

Start TaxCalc with the <u>Interview process</u> switched on. Once you become more familiar with Taxcalc you may choose to navigate TaxCalc using the <u>TaxCalc Navigator panel</u>.

<u>Enter data</u> in the boxes relevant to you, using the context-sensitive help on the **right-hand mouse button** for detailed explanations.

Save your data.

View and print the <u>tax summary</u> and <u>Tax Saver</u> documents.

Consider and experiment with any changes you wish to make.

<u>View and print out the facsimile tax return form and supplementary Pages</u>

Check your tax return form and any additional data carefully before sending them off to the Revenue.

Much of the information asked for by TaxCalc may not be applicable to you, but those parts which do apply need to be completed accurately and honestly. You should try to understand the areas which do apply - reading the relevant help files (available by clicking the **right-hand mouse button**, pressing F1, clicking on the help button or using the help item on the menu bar) will help.

<u>Married couples</u>

<u>TXF import</u>

<u>What TaxCalc can't do</u>

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Although the tax system generally taxes husband and wife as separate individuals, there are still ways in which married couples may be able to save tax, for example, by transferring between them allowances or various income-producing assets. To find out if you can save tax in this way, you should complete a TaxCalc document for each of you. When you have finished and saved them, open both documents at the same time and then run TaxSaver.

The command **Window|Tile** in the menu bar allows you to see and work on two documents at the same time:

The transfer of allowances applies even in the year of separation, divorce or one spouse's death so, if possible, you should complete two documents in these situations.

Once you have become familiar with TaxCalc by using the Interview you may choose to navigate through the document by using the Navigator panel, which you will see is similar to the Windows File Manager/Windows Explorer function. It is desirable that you should have to hand all the information that TaxCalc requires when you first start entering data. If you do not, the Navigator allows you to go from anywhere in the tax document to anywhere else with no more than four clicks of the mouse.

Entering data this way allows you to make changes, save the revised file, and see their effect on your tax liability very quickly.

TXF (Tax Exchange Format) files are used to transfer some information between money manager programs (for example, Microsoft Money and Intuit Quicken) and tax software programs.

If you wish to import a TXF file into TaxCalc, follow these steps.

1. Create a new .TAX file or open and existing .TAX file.
2. Choose File|Import TXF from the TaxCalc main menu.
3. Select the TXF file you wish to import.
4. Save the .TAX file.

Please note that the .TXF file does not contain all the information needed to calculate your tax nor to complete a tax return. You must make sure that the imported data is complete and correct before running a calculation or printing a tax return form.

Data from the .TXF file may be found on the following screens in TaxCalc.

Employment section of TaxCalc: Employment details, Other fringe benefits, Lump sums, Expenses

Self-employment section: Annual turnover and business expenses (in the Income and expenses section)

Foreign section: Savings, Other income from abroad

Property section: Furnished holiday lets, Other property income

Income section: Pensions, State benefits, Maintenance, Any other income

Reliefs section: Pension contributions, Vocational training, Loans, Maintenance, Venture Capital Trusts, Charitable covenants, Gift aid donations, Other reliefs

Capital gains section: Gains/losses

WARNING
When you import data from a TXF file into TaxCalc, as well as checking that entries appear in the correct places, please ensure that what is entered is consistent with the data that TaxCalc requests (for example, that gross figures appear where TaxCalc requires them).

When you have saved your tax document you have a choice of five different tax summaries.

> Simple one-page tax summary
> Detailed tax summary
> Detailed tax summary for people with lump sums etc
> Detailed tax summary for people with capital gains
> Detailed tax summary for people with capital gains and lump sums

The simple one-page tax summary has been designed especially for TaxCalc.

If you want more detail on how the figures have been arrived at you can choose on of the detailed tax summaries, which are based on the Inland Revenue's tax calculation working sheets.

Use the standard tax summary only if you have neither capital gains nor lump sums.

Use the lump sums summary if you have life insurance gains, refunded AVCs, redundancy or compensation on leaving a job, or income (which has had basic rate notional tax deducted) from the estate of someone who has died.

Use the capital gains summary if you have taxable capital gains.

If you have both taxable capital gains and lump sums, use the capital gains and lump sums summary.

Use the 'Tax' drop-down menu to select the appropriate detailed Summary.

Clicking on your right-hand mouse button or pressing F1 whilst viewing the Summaries will take you to the help pages which tell you which summary to choose and explain the more complicated parts of the calculation for each one.

You can print out the tax summary for your own records. **Do not send it to the Revenue.**

TaxCalc now contains further details of your tax in its company car breakdown and savings and investments breakdown.

You can switch the **Interview** mode on and off at any time by clicking on Interview button.

The Interview window is located on top of the document window and contains instructions on what information the screen requires. It can be resized by dragging the window borders and contains a scroll bar where there is a need for one. The next and previous buttons allow you to move between screens.

If you require more information, click your **right-hand mouse button** for context-sensitive help.

Once you have got to know your way around TaxCalc you can proceed with the interview mode, or use the <u>Navigator panel</u> at the left-hand side of the screen to find your way around.

TaxCalc has been amended and updated to deal with most people's self assessment. However, there are some situations which it cannot deal with.

- Ministers of religion.

- Lloyd's underwriters.

- Members of Parliament.

- Partnerships which need to complete the 'full' unabridged version covering all possible types of partnership income.

- Non-residence. Although TaxCalc will provide access to a blank form which can be printed off and filled in manually.

- TaxCalc will not deal with the income of persons not ordinarily resident or not domiciled in the UK.

- Foreign gains. TaxCalc will not compute the capital gain on foreign assets or give the tax credit relief thereon, but you can use the input screen to enter details of your own calculation of the gain.

Once you have completed and saved your tax document you can access the Tax Saver either by clicking on the button or by selecting Tax|Saver from the menu.

Tax Saver comments on your tax position and suggests areas that might improve your tax affairs. You can print out this file and use it to review the way you have arranged your affairs. Using TaxCalc you can then enter details differently and see if there is a worthwhile difference in your Tax Summary.