

Using Finance To Clear Tax Debts

By Paul Surtees

Falling into arrears with HMRC can be a stressful and expensive experience.

With the media spotlight firmly focused on the business world's tax affairs, HMRC are coming down harder than ever before on companies who fail to manage their tax payments effectively.

From Corporation Tax and National Insurance to PAYE and VAT, there has been a tangible increase in the number of businesses facing winding up orders and liquidations due to outstanding HMRC payments.

In many cases, particularly with SMEs, the ability to make timely tax payments is hindered by customers failing to clear invoices in time, putting unnecessary pressure on your working capital and cash flow.

Given the current financial climate, banks and mainstream lenders are hesitant to help businesses with overdue tax bills, perceiving them to be at a higher risk. Failure to make your tax payments can lead to heavy fines and even winding up orders.

Fortunately, all is not lost. [Capitalise](#) has brought together a range of specialist lenders from across the UK with direct experience at helping businesses overcome these hurdles with a minimum of fuss.

Read on to learn more about what [finance options](#) may be available to help your business find a cost effective solution to tax debts.

WHAT FINANCE OPTIONS ARE SUITABLE FOR TAX DEBTS?

The reality is that tax bills need to be settled in order to preserve the financial stability and future existence of your business.

If you don't have enough money tucked away to settle these bills each year then your working capital could take a significant hit which, in turn, can detrimentally affect your ability to meet other daily costs.

WORKING CAPITAL FINANCE

[Working capital finance](#) can help you to cover these day to day running costs, giving you plenty of breathing space to tackle your tax bills with the peace of mind that you'll still be able to take care of other business expenses.

The big plus with taking on [working capital finance](#) is that you don't need to specify what the money will be used for, meaning you can use it immediately to pay your tax bill or to replace company funds which have already been used for this purpose.

MERCHANT CASH ADVANCE

A [merchant cash advance](#) has similar benefits in that there are no limitations on where the money can and can't be spent, however you'll need to be able to prove that your business receives the necessary card transactions to make repayments.

They're usually offered over a shorter term than working capital loan agreements which makes them perfect for the annual cycle of corporation tax payments. What's more is that they can be issued extremely quickly and so if you're approaching an HMRC deadline, consider a [merchant cash advance](#) to help avoid any unnecessary fines.

INVOICE FINANCING

There's nothing worse than waiting for a string of invoices to be settled with an HMRC deadline fast approaching and you may end up without the means to make a payment through no fault of your own.

If you've found yourself in a position whereby you can't settle a tax bill due to outstanding customer invoices then consider [invoice discounting](#) or [invoice factoring](#) to ensure prompt, reliable payments.

Once you've been approved for either of these [invoice financing](#) services, you'll be able to advance up to 95% of your outstanding customer payments within as little as 24 hours.



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WHY CAPITALISE

At [Capitalise](#), we understand how important it is for businesses to keep on the right side of HMRC which is why we've invested heavily in attracting lenders who can meet your borrowing needs promptly.

Complete your [Capitalise profile](#) online in just a few short minutes to access more than 70 lenders that specialise in HMRC debt solutions across all industries.

You'll be able to submit a single online application to multiple lenders and receive decision letters through the Capitalise platform as soon as additional underwriting has been completed.

In a hurry to get a decision and don't have essential documentation to hand? Add your accountant or other key business partners to your profile and they'll be able to upload the necessary paperwork from wherever they are in the world, helping to significantly speed up the application process.

Get on top of your HMRC bills today by clicking on the funding search button below, or register with [Capitalise.com](#) for more information on how to solve tax debt issues.