

Why Writers Should Make Friends with the Taxman

By Natalie Butlin



You've always known you want to be a writer, and now you've got it: the multi-million pound idea, film deal in the waiting, bouncers on the doors at W H Smiths. Why waste your breath at work when you're sitting on a golden egg? It's time to tell your boss a few home truths and get on the phone to Selina Walker... Except most writers only just scrape by.

Unless you are one of the lucky few, writing isn't likely to bring home a healthy income, but you could give yourself a little bit of extra financial support if you got to grips with the UK tax system.

(Please note, the advice in this article is applicable only to UK writers.)

When can you call yourself a writer?

Professional writers are entitled to claim back tax on a long list of expenses. Once you have an income from writing, there is no quibbling from HMRC about whether your writing is a business or a hobby. But prior to that, you may still be able to register as self-employed and claim for the same expenses.

The key to figuring out if you are eligible is honesty. Are you dedicated to realising an income from your writing, and do you believe it's an achievable goal?

Having an agent is bonafide proof that someone in the industry believes they can sell your book; you are working on a marketable product, and it would be hard for HMRC to deny this.

If you are unagented, you should consult with an accountant, but you may have grounds if you know your book inside out, have researched which literary agents you might like to work with, or looked into self-publishing, and spent significant time and money pursuing your writing career.



What can you claim back?

To claim back tax, you must first be a taxpayer; your income must be above the current personal tax allowance. You may only claim back tax on the proportion of an expense used for your business, disallowing any personal usage.

- All office equipment, including stationery, used for your writing is allowable.
- If you rent an office or use your home as an office, you can claim for your percentage business usage in terms of rent, heating, electricity and maintenance. To work out your percentage usage, you should take into account the proportion of time and the proportion of the premises used for your writing.
- Publicity and marketing costs are also allowable expenses, including anything you spend on PR, advertising or a website.

- Research and development costs are often forgotten, largely because they can be a lot of fun, but this category stretches to include a great many things; any writing-related subscriptions you take out, for instance *Mslexia* or *The Bookseller*; books, which you read to develop your craft; professional development courses, such as a creative writing MA or evening class; even research trips to tropical destinations could be partially allowable.
- Travel expenses are likely to be low, but you can still consider a proportion of trips taken in the name of research, travel to courses and industry events like book launches and publishing talks.
- Phone and other communication costs are again likely to be minimal, but if you're conducting a lot of one-to-one research, don't cut yourself short.
- Production costs, if you self-publish, include everything from editorial to type-setting, and design to the print-run.



Again, the most important thing is to be honest about your expenditure and business usage, as you don't want to be landed with a fine. If in doubt, talk to an accountant.

And then it gets complicated



Tax affairs for published writers are notoriously complex, especially when dealing with multiple territories. The Society of Authors has some good resources, but it is highly recommended that you hire an accountant when tangling with royalty statements for multiple titles, from multiple publishers, in multiple currencies.

Get writing!

Taking yourself seriously is one of the biggest hurdles to actually getting a draft done, and money is top of many writers' lists of concerns. Perhaps if you saw your writing as a business, without letting it affect what you write, you might be more disciplined and finish that manuscript.

Natalie Butlin handles the digital marketing for [Accounts and Legal](#), a full-service accountancy firm, and has a background in trade publishing.

* * * * *

Improve Your Writing with a FREE WritersReign Email Course

Free to readers of this article! And to be perfectly frank, free to any Tom, Dick or Harriet that would like to sign up!

Click on the links for further details:

[CREATIVE COURSE](#)

[ARTICLE COURSE](#)

This article has been brought to you by www.writersreign.co.uk Why not visit the web site of the author or email them with your comments? Please mention WritersReign as you do so.