

**MICROMEGA**

**COMP~U~TAX**  
**Personal Computer**  
**Division**

**USER GUIDE**



This programme is published by :

## **MICROMEGA**

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## TABLE OF CONTENTS

	<u>Page</u>
Introduction	1
How to Run Comp-U-Tax	
- Sinclair ZX81 1K RAM	2
- Sinclair ZX81 16K RAM	5
- ZX Spectrum 48K RAM	5
Data Preparation Sheets	6
Definitions of input requirements	7
Cursor editing	23
Outputs	24
Programme Boundaries	26

## INTRODUCTION

COMP-U-TAX is a professionally developed programme to assist you in assessing your liability to personal income tax for the tax year ending on April 5, 1983. The programme has been specified by a Chartered Accountant, and independently checked by David Franks B Com, MBA, FCA and Lance Blackstone B Com, FCA of Blackstone Franks Smith & Co, 41 - 42 Berners Street, London W1P 3AA. Personal Taxation is a complex matter and you are therefore strongly advised to study this User Guide carefully before running the programme.

There are some unusual combinations of circumstances under which, exceptionally, COMP-U-TAX cannot fully compute your tax liability. Some of these are set out at the end of this User Guide; if your circumstances appear to fall into one of these categories, then you should seek a more detailed explanation of the relevant Law.

Please remember that the Inland Revenue is ultimately responsible for assessing the amount of tax liability. If you believe the assessment to be incorrect, then you should first of all approach your tax office with a clear statement of why you disagree. If you still cannot agree, then seek professional advice from an Accountant or your Bank Manager. MICROMEGA cannot enter into any correspondence whatsoever concerning individual tax matters.

ZX Spectrum is a registered tradename of Sinclair Research Limited.

## HOW TO RUN COMP-U-TAX

MICROMEGA assume that your computer is correctly set up with the tape heads cleaned, and that you are familiar with the required volume and tone control settings, which are vital for this programme.

If you have purchased the ZX81 version then the programme tape that you have received has recorded on one side a version of COMP-U-TAX suitable for a 1K RAM configuration, while on the other side is a 16K RAM version. Both versions require the same input and perform identical calculations, but the 16K version is more convenient to use and has expanded display formats.

### ZX81 VARIANTS

#### 1K RAM Configuration

The following is a step by step description of how to run COMP-U-TAX on a Sinclair ZX81 with a 1K RAM configuration. This version of the programme consists of a series of segments which you input in sequence by successively 'Playing' and 'Stopping' your tape recorder. Be ready after each 'Play' to press 'Stop' immediately the programme prompts you, since there are only a few seconds between segments. Do not stop the tape if the screen clears for a few seconds between segments.

#### Step

#### Operation

- 1 Place the tape into the recorder with the 1K label face up, and rewind it to the beginning.
- 2 Press the LOAD key followed by "START" on your ZX81 - be sure to include the quotation marks - followed by NEW LINE.
- 3 Press the PLAY button on your tape recorder and be prepared to stop the tape as soon as you are prompted.

NB - STOP does not refer to the STOP key on your ZX81.

4 Press the STOP button on your tape recorder immediately the prompt STOP TAPE appears.

5 The screen will display

COMP-U-TAX

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1K RAM VERSION

6 Follow the instructions on the screen to load the next programme segment.

7 Press the PLAY button on your tape recorder, and remain ready to press STOP on the recorder immediately you are prompted.

8 Respond to the input prompts by entering data from your completed data preparation sheets. Once you have typed the correct data onto the screen press the NEW LINE key on your ZX81 - be sure to check your input before pressing NEW LINE as you will need to return to step 1 if you subsequently wish to correct the data. Be especially careful not to confuse alphabetic and numeric inputs.

9 When prompted PRESS PLAY on the cassette recorder and remain alert for STOP TAPE. COMP-U-TAX is a complex programme and the screen may flicker for upto 2.5 minutes whilst segments of the programme load and are executed.

10 Continue steps 8 and 9 through the data input sequence until you see displayed the initial report of your tax bill. You can note the results on the last sheet in the set of data preparation sheets.

11 After calculating your income tax liability COMP-U-TAX provides a facility for determining whether you owe tax, or whether a rebate is due to you. To use this facility respond Y to the prompt TAX O/(U)? and then PRESS PLAY. Ensure that you have the relevant data to hand (see page 6 below).

- 12 For married couples a further option exists for determining the effect of a Wife's Earned Income Election. If you wish to use this option respond Y to the prompt WEIE.

You should note that if you overrun a STOP TAPE instruction it will be necessary to restart at Step 1.

Set out below are estimated load and execute times for each segment of the COMP-U-TAX 1K RAM programme in order to assist you in assessing progress:

<u>Segment</u>	<u>Operation</u>	<u>Load/Execute Time</u>
A	Initialisation	28"
B	Personal Status	51"
C	Earned income/expenses	1'00"
D	Overseas duties	43"
E	Allowable outgoings	1'09"
F	Unearned income	1'32"
G	Dependent Relative Relief	1'15"
H	Allowances and Reliefs	38"
I	Deeds of Covenant	35"
J	Tax calculation	2'50"
K	Over/under payment	41"
L	Wife's earned income election	1'47"
		-----
		13'29"



To execute correctly the programme you must pass through all of these segments even if the inputs are zero. Do not therefore attempt to wind past a segment using 'Fast Forward'.

### 16K RAM Configuration

The 16K RAM version of COMP-U-TAX can be run by following this step by step set of instructions.

<u>Step</u>	<u>Operation</u>
1	Place the tape into the recorder with the 16K label face up, and rewind to the beginning.
2	Press the LOAD key followed by "TAX" on your ZX81 - be sure to include the quotation marks - followed by NEW LINE.
3	Press the PLAY button on your tape recorder.

### ZX Spectrum Variant

<u>Step</u>	<u>Operation</u>
1	Rewind the tape to the beginning and load "TAX". On completion of loading the screen will display  COMP-U-TAX  c. 1982  MICROMEGA  PLEASE REFER TO YOUR USER GUIDE  PRESS ENTER TO CONTINUE
2	If you press enter the programme will immediately proceed to prompt for marital status - see page xx

## DATA PREPARATION SHEETS

(ZX81 1K only)

To successfully run any computer programme it is essential to input the correct data in a format consistent with the programme itself. To assist you MICROMEGA therefore provide a set of data preparation sheets which allow you to conveniently assemble the data in the order in which it will be required for the ZX81 1K variant of COMP-U-TAX. These sheets are structured in such a way that you can easily see which inputs are not required in your particular circumstances.

The data preparation sheets are cross indexed to the next section of this User Guide. You should study these references carefully as you assemble your input data, and be sure that you understand clearly the information required. Once you have completed the data preparation sheets you are ready to load (page 2) and run your programme, simply by responding to the programme prompts with the appropriate input.

The last page of this pack of data preparation sheets contains a format for you to note down the output.

## DEFINITIONS OF DATA INPUT

### INTRODUCTION

Note: Input references in brackets refer to the ZX81 1K Data Preparation Sheets.

A few very important rules must be remembered to successfully run COMP-U-TAX.

- If any input is not relevant to your particular circumstances, then input 0 (zero) for the ZX81 1K variant unless specifically directed otherwise by the data preparation sheets. For the ZX81 16K and Spectrum programmes newline/enter will return zero.
- Round all income inputs down to the nearest whole pound except for inputs 26 and 27, which should be rounded up or down to the nearest whole pound.
- Round all outgoings and expenses up to the nearest whole pound.
- Take care preparing your data input; incorrect data will inevitably result in an incorrect answer.
- A man separating from or divorcing his wife during the year should only include his wife's income etc upto the date of separation or divorce.
- A woman married in the year to April 5, 1983 is treated for tax purposes as a single person, and should carry out a separate 'run' to determine her tax liability. None of her income or outgoings should be included in her husband's tax calculation.

### PERSONAL STATUS (Input Ref: 1 - 5)

UK Tax Law makes considerable distinctions not only between people in different marital circumstances, but also between men and women. For COMP-U-TAX to correctly calculate your tax liability it is therefore necessary to first of all input some personal details.

It is important to enter your correct marital status at the end of the tax year as this may affect your allowances. The relevant definitions are married, single, separated, divorced and widowed. Input 1 establishes the status and input 2 asks whether it has changed during the period April 6, 1982 to April 5, 1983 and, if so, the date of the change. When entering the date of change you must use the format DDMM - in other words, two digits for the day of the month and two for the month itself, so June 9 would be 0906. Note that the status 'widowed' applies to both widows and widowers. A married woman in the year of her marriage should input the status code for a single person.

Special reliefs are available if you (or, for married couples, either you or your spouse) were 64 or over on April 6, 1982, so input 3 prompts for this information. The tax treatment of individuals also differs for men and women, so you will be required to specify your sex.

If your marital status is separated then you must also enter whether or not you are wholly and voluntarily maintaining your spouse in response to the prompt MTCE.

For both the ZX81 and Spectrum variants of the programme you will have an opportunity to correct any inputs requiring alteration after all personal status inputs are complete.

### EARNED INCOME AND EXPENSES

This section of the User Guide gives definitions of earnings and expenses which are the same for both men and women. Unless your personal status is married, or you are a man whose status changed in the year to April 5, 1983, you will only have to enter this information for yourself, and COMP-U-TAX will automatically omit inputs referring to a wife (ref: 11-15). If you were married for the full year, or you are a man whose status changed during the year, you will need to assemble this data twice - once for yourself (inputs 6-10) and once for your wife (inputs 11-15) upto the date of change. If you married during the year, your wife's earned income, investment income and expenses are treated as though

she were a single person, and a second 'run' of COMP-U-TAX will be needed to assess her tax liability. Similarly if you are a woman who became divorced, separated or widowed during the year, you enter inputs only for the period since your change in marital status.

**Gross Income from Employment (Input Ref: 6,11)**

Gross Income is the total amount (before deduction of tax) that you receive from a full time job including tips, commissions, bonuses etc, plus any Schedule D income arising from activities that you carry out on a self employed basis, less pension contributions made to either an approved or statutory pension scheme. The great majority of pension schemes for employed people are either approved or statutory; your employer will be able to tell you whether your scheme qualifies.

Note that your earned income includes pensions, which should be entered here, but not Social Security benefits, wound and disability pensions, prizes and awards and ex gratia payments upto £25,000.

The relevant gross income for a full time job will be shown on your form P60, given to you by your employer after the end of the tax year. To this amount you should add any tips etc that you receive. The exception to this is Director's Fees if you are a company director, which do not appear on your P60. Your Schedule D self employed income is income derived from a trade or profession - for example as a plumber or actor - in which you are not employed by an employer. Note that personal payments made by self employed people should not be deducted from gross income for this input, since they are handled elsewhere in the programme (page 13 below).

If Schedule D self employed income is a major part of your income we recommend that you obtain professional advice at least during your early years of trading in order to ensure that you obtain the full benefit of the available reliefs.

## Fringe Benefits and Expenses (Input Ref: 7,12)

Fringe benefits are assessed for income tax purposes in two ways:

- (i) If you are a Company Director, or if your gross income from employment exceeds £8500 for the year, your employer will submit form P11D to the Inland Revenue setting out your taxable fringe benefits. You should therefore ascertain this amount from your employer.

The principal exclusion from the P11D figure is the amount chargeable for use of a Company Car. The scale at which this is charged depends upon the age, original market value and cubic capacity of the car.

If you are using either the ZX81 16K or Spectrum variant of COMP-U-TAX you should simply respond to the input prompts and car benefit will be automatically calculated.

With the 1K ZX81 Variant you should select the appropriate figure from the table below and include it on your Data Preparation Sheet in input 7 or 12.

	Age	
	Under 4 yrs	Over 4 yrs
<u>Original market value upto £11500</u>		
Upto 1300 cc <u>or</u> OMV upto £3599	£ 270	£ 180
1301 to 1800 cc <u>or</u> OMV £3600-5099	360	240
1801 cc or more <u>or</u> OMV £5100-11500	540	360
Original market value £11501-17300	780	528
Original market value over £17300	1260	840

You should halve the amount chargeable if you used your car for more than 18000 business miles during the year, and increase it by 50% if your business travel was less than 2500 miles.

For the 16K ZX81 or Spectrum Programme you should then input separately as prompted any other fringe benefits or expenses; for the 1K programme add other benefits to car benefits prior to input.

- (ii) If your gross income is less than £8500 for the year, you should ascertain the annual value of taxable benefits, some examples of which are: Season tickets, Luncheon Vouchers over 15p per day, private sickness insurance cover, company credit cards, board and lodging if you received reimbursement in cash.

#### Expenses - PAYE taxpayers

If your employer reimburses expenses incurred by you, this amount is not taxable if the expenses were incurred "wholly, exclusively and necessarily in the performance of the duties of your employment". You should therefore input here the total of expenses reimbursed, whether on an ad hoc basis or on the basis of a fixed periodic allowance. A later input (9,14) will establish the total that you actually paid out, which may be different. Examples of allowable expenses include travelling (but not to or from home), tools, overalls etc.

Note that this section does not apply to self employed Schedule D taxpayers.

#### Other Earned Income (Input Ref: 8,13)

If you have any earnings from employment other than PAYE or Schedule D income, such as holiday job money, part time work etc, you should enter the total as Other Earned Income. You should include in this section any maintenance or alimony payments that you receive under an enforceable agreement, such as a Court Order, from a separated spouse or divorced husband/wife. If such maintenance or alimony is paid to you after deduction of tax, then enter the gross amount by either adding back the amount of the tax, if known, or multiplying the amount actually received by 10 and dividing by 7.

Do not enter maintenance or alimony payments paid to you voluntarily, since such income is not taxable.

## Allowable Expenses (Input Ref: 9,14)

Your total allowable expenses, which reduce your income tax liability, can be from two sources:

(i) PAYE taxpayer.

The total actual amount that you spent on the items for which your employer reimbursed you (see Fringe Benefits and Expenses page 10). This amount may be equal to, or greater or less than the amount reimbursed. If it is greater, then you will get additional tax relief; if less then generally you will be taxable on the difference. In arriving at the figure for this allowance remember that expenses only qualify if they are incurred "wholly, exclusively and necessarily in the performance of the duties of your employment".

(ii) Self Employed Taxpayer

If you are a self employed person taxed under Schedule D, you will generally be allowed expenses wholly and exclusively incurred in the course of your business. The precise definition of allowable expenses varies with individual circumstances, and is in any event subject to negotiation and agreement with the tax authorities. You should therefore seek guidance from a professional adviser. A general indication of the principal allowable expenses is:

- Costs of premises and their normal repair and maintenance, including a proportion of telephone, heating, insurance etc costs on your home, if you work from home.
- Administrative costs such as stationery, accounting fees, copying costs etc.
- Wages, salaries and NI costs, except your own wages (which are deemed to be part of your taxable profit).



- Travelling costs, including a proportion of the costs of your car if you use it for business purposes.
- Special allowances in respect of some capital expenditure incurred in the course of the business.

The input that you require for allowable expenses is the sum of (i) and (ii) above.

### **Personal Pensions (Input Ref: 10,15)**

If you are either self employed, or employed but not a member of your employer's pension scheme, you can get tax relief on premiums paid to a personal pension plan, providing the plan is approved by the Inland Revenue. The organisation providing the service can tell you whether or not the scheme is approved. The amount you can claim is the lower of the total premiums paid or 17.5% of your net relevant earnings, which for an employed person would be the total income from employment (including benefits) less allowable business expenses. A self employed Schedule D taxpayer should seek advice from an Accountant to determine the level of net relevant earnings.

### **OVERSEAS DUTIES**

If you travel overseas in the course of your business, part of your income during the period overseas may be free of UK income taxes. This section establishes your eligibility and determines the amount of relief available to you.

### **Eligibility (Input Ref: 16,16(a),17,17(a))**

You are eligible for relief if you normally live and work in the UK, but in the course of your business duties were abroad in the year to April 5, 1983 for 30 days or more. These inputs therefore establish whether you did travel abroad, and if so for how long. For the purposes of deciding upon the number of days spent abroad the definition in summary of a

qualifying day is one devoted substantially to business duties abroad, excluding the day you return to the U.K. A weekend or public holiday will generally qualify if it is part of a trip of not less than seven consecutive days.

**(ZX81 16K/Spectrum versions)**

If you have responded "Y" and established eligibility for overseas allowance simply input the number of days and then the allowance will be automatically calculated from the total of your income from employment, benefits/expenses and other earned income.

**(ZX81 1K version)**

After inputting the number of qualifying days two further inputs are required as follows:

**Applicable Income (Input Ref:16(b), 17(b))**

If you have only one source of earned income, the applicable amount is your gross income (see page 9) for the whole year as entered in inputs 6, 11 plus any pension contributions to either an approved or statutory pension scheme. If you have earned income from more than one source, the applicable income is the gross amount for the year, plus pension payments, arising from the source of income attributable to the overseas duties.

**Applicable Benefits and Expenses  
(Input Ref: 16(c), 17(c))**

The applicable benefits and expenses for this relief are the same amounts as entered in inputs 7, 12 if you have only one source of earned income, and the subset of inputs 7, 12 arising from the particular source of income attributable to the overseas duties if you have more than one source of earned income.

## **Input Error Correction**

If you have either the ZX81 16K RAM or Spectrum version of COMP-U-TAX you may now correct any of these inputs in response to the prompt "ARE THESE DETAILS CORRECT (Y/N)" - see page 23, cursor editing.

## **ALLOWABLE OUTGOINGS**

### **Mortgage Interest Allowable (Input Ref: 18, 23)**

You should ascertain from your Building Society, Bank etc the total allowable interest paid. In general mortgage interest is only allowable on the first £25,000 of any loan to buy your only or main home; for married people the £25,000 limit applies jointly to the husband and wife.

In addition to the above, you will normally qualify for tax relief for one year on a bridging loan of upto £25,000 if you are moving house. You may also claim relief if you are paying the mortgage on a second home occupied by a divorced or separated spouse, upto a limit of £25,000 for the two loans together.

### **Other Interest Allowable (Input Ref: 19, 24)**

The circumstances under which interest paid other than mortgage interest is allowable against personal tax are very limited. Broadly the loan must either

- (i) Have been incurred prior to March 27, 1974, and not be a bank overdraft or credit card loan. You should deduct the first £35 of qualifying interest.

**or**

- (ii) Be to buy or contribute capital to a partnership in which you are an active partner; be to purchase an annuity for you if you are over 65 and have secured the loan on your home; be to buy equipment for your own business, or to buy 5% or more of the shares in a close company (e.g. a family business). The loan cannot for qualifying purposes be a bank overdraft.

Enter the total of any interest that you have paid that qualifies under the terms of either (i) or (ii) above.

**Maintenance, Alimony and Allowable  
Deed of Covenant Payments (Input Ref: 20,21,25,26)**

If you are separated or divorced, then maintenance and alimony payments to your ex-spouse will be allowable against your income only if the payments result from an enforceable agreement such as a Court Order or Deed of Separation. If you are paying maintenance or alimony under such circumstances, then you must total separately the payments made gross (i.e before any deduction of tax) and those made net, since the programme will automatically gross up net payments. If you pay maintenance or alimony under any other circumstances then do not enter it as it is not an allowable expense.

Also enter under net maintenance (ref: 21, 26) the total amounts paid (ie net amounts) under Deed of Covenant to registered Charities, upto a total of £3000 in the year. Note that other payments under Deed of Covenant are not allowable outgoings.

**Input Error Correction**

If you have either the ZX81 16K RAM or Spectrum version of COMP-U-TAX you may now correct any of these inputs in response to the prompt "ARE THESE DETAILS CORRECT (Y/N)" - see page 23, cursor editing.

**INVESTMENT INCOME**

Unearned income is income that does not arise from your activities as an employee, or in a business, trade or profession. Under current tax laws a married man is entirely responsible for the tax on his wife's unearned income, so in those circumstances you should you should aggregate for each category below the husband's and wife's unearned income. The only exceptions to this are in the year of marriage (when the wife is treated as a single person, and a second 'run' of

COMP-U-TAX will be needed to assess her tax liability), and in the case of separation, divorce or bereavement, when the husband is responsible for his wife's unearned income only upto the date of change in marital status.

### **Building Society Interest Received (Input Ref: 22)**

Determine the total Building Society interest actually received or credited to your account(s) during the year.

Note that in the 1K version this input for technical reasons appears, for married couples, after the segment concerned with the husband's allowable outgoings, but before the wife's allowable outgoings.

### **Untaxed Interest Received (Input Ref: 27)**

Establish the taxable interest from such sources as Bank deposit accounts, National Savings and Trustee Bank accounts, some British Government stocks bought through a Post Office. Subtract the first £70 of interest from any NSB account, enter the amounts individually, and end with a zero input.

For interest from each of these categories there are special rules for determining the taxable interest depending upon how long it is since the source of interest began:

<u>Period</u>	<u>Taxable Interest</u>
Years 1 and 2	The amounts <u>actually received</u> .
Year 3	The <u>lower</u> of the interest received in year 2 or 3.
Years 4 to (n-2)	The interest actually received in the <u>preceeding</u> tax year.
Year (n-1)	The higher of the interest received in year (n-2) or year (n-1)
Year n	The amount actually received in the year.

(Year n is the year during which the source of interest ceases).

To 'run' COMP-U-TAX you need only determine whether:

- The source of income commenced during the past three years, in which case the rules for years 1-3 apply.
- The source of income ceased during the year, in which case you should input the amount actually received.

If neither of these conditions apply, enter the interest received in the year to April 5, 1982.

### **Input Rules - Other Unearned Income**

Because many taxpayers have a variety of sources for each category of unearned income, provision has been made for individual inputs to be made and the correct total accumulated within each category. For example, if you receive dividends from five UK Companies, then you can enter five separate amounts and the correct total will be accumulated.

#### **1K RAM Version**

The second and subsequent amounts should be input in response to the prompt 'NEXT'. When all inputs have been completed input zero to signify to the computer that it should move to the next step.

#### **16K RAM ZX81/Spectrum**

Input the individual amounts in sequence. When completed press New line/ENTER to move to the next category.

### **UK Co.Dividends/Unit Trust Distributions (Input Ref: 28)**

Input individually the amount you actually received in dividend payments from UK companies, or as Unit Trust distributions. Do not enter the tax credits, which COMP-U-TAX will automatically calculate.

Also include here the amounts actually received under any Deeds of Covenant of which you are the beneficiary.

### **Other Dividends Received (Input Ref: 29)**

Similarly you should input individually the gross amount of other dividend receipts, such as from overseas company dividends, UK government security dividends, loan stock interest, annuities etc.

### **Other Investment Income (Input Ref: 30)**

Enter the individual gross amounts of any other unearned income received during the year, finishing the sequence with a zero input. Include here the gross amount of any income that your children receive that is derived from capital that you have given to them - for example, by a gift of shares (Note - in other cases a child is treated as a taxpaying individual in its own right, and a separate 'run' of COMP-U-TAX is necessary to determine its tax liability). The child must be an unmarried individual under 18 at the time of receipt of the income.

Include in other unearned income the net amount of any property income that you receive as a result of, for example, renting your home. The net amount is the rental income received less expenses such as agents, solicitors and accountants fees, rates, ground rents, normal repairs and redecorations, allowance for wear and tear etc.

### **Input Error Correction**

If you have either the ZX81 16K RAM or Spectrum version of COMP-U-TAX you may now correct any of these inputs in response to the prompt "ARE THESE DETAILS CORRECT (Y/N)" - see page 23, cursor editing.

## PERSONAL ALLOWANCES/RELIEFS

This section of the User Guide describes a series of allowances and reliefs which are available provided all the conditions attached to qualification are met. Since these qualifications are frequently rather complex you are advised to study this section with particular care.

### **Dependent Relative Relief (Input Ref: 31)**

You qualify for dependent relative relief if you (or your wife) maintain a relative meeting either of the following conditions:

- The relative must be incapacitated either by old age or illness, or
- The relative must be your (or your wife's) mother, whose status must be widowed, separated or divorced.

COMP-U-TAX can automatically assess dependent relative relief for upto two relatives (plus another two if you are married). If you qualify for relief input 'Y' to the prompt.

### **ZX81 1K Version**

Input in response to the prompt NO/S the number of relatives for which relief is claimed and then for each relative in turn respond to the prompts EX1, EX2 with the amount by which each relative's income exceeds the basic state retirement pension of £ 1600 - so for each relative first ascertain the total income, and then subtract £ 1600. If you are married, repeat this sequence for your wife's dependent relatives in response to the prompt NO/W.

### **ZX81 16K/Spectrum**

Input the number of relatives and then for each one the total income. The programme will automatically adjust for the basic state pension.

In the year of marriage a woman is taxed separately from her husband, so the husband's response to the number of wife's dependent relatives should always be zero.



### Important Note

The following inputs are set out in the order in which they appear in the ZX81 16K and Spectrum programmes. This is not the same as in the ZX81 1K, which should be cross referenced to the data preparation sheets by means of the bracketed page references.

#### **Additional Personal Allowance (Input Ref: 33)**

You are eligible for additional personal allowance if you have one or more children living with you and either your status is not married, or you are married but your wife was totally incapacitated for the year.

#### **Blind Person's Relief (Input Ref: 35)**

If you are registered with a Local Authority as blind person then you are eligible for blind person's relief. Married couples may obtain relief for either or both spouse depending on whether one or both are registered.

#### **Housekeeper Relief (Input Ref: 32)**

If you are a widow or widower then you are eligible for relief if you either employ a housekeeper, or if a relative staying with you acts as your housekeeper, provided that the relative is not a married woman whose husband is claiming the full married man's personal allowance. You will not be eligible to claim Housekeeper Relief, Additional Personal Allowance and Blind Person's Relief; you should therefore choose the greatest of the reliefs for which you qualify. Additional Personal Allowance is greater than Blind Person's Relief, which is greater than Housekeeper Relief.

If you are not a widow or widower this input will be omitted altogether.

#### **Sons or Daughters Services Allowance (Input Ref : 34)**

If as a result of either you own age or infirmity you depend upon the services of a son or daughter who lives with you and

whom you maintain then you are eligible for relief in respect of the service the son or daughter renders to you. Note that you cannot claim both this relief and Housekeeper Relief (see above); if you qualify for both it will be beneficial to you to claim the latter since it provides the greater relief.

ZX81 1K RAM Only

**Age Allowance (input Ref: 36)**

In order to correctly calculate your age allowance you must now enter the total actually paid under Deed of Covenant arrangements during the year. Enter the individual amounts of each payment and be sure to finish with zero. Note that this part of the programme will be omitted altogether unless you have specified that you (or your wife) were over 64 on April 6, 1982. COMP-U-TAX includes a facility for the total Deed of Covenant payments to be accumulated, so the input rules set out on page 18 in the section on input rules for investment income must be followed.

## CURSOR EDITING

In the ZX81 16K and Spectrum variants of COMP-U-TAX there is a facility in each of the three principal sections of COMP-U-TAX to allow incorrect inputs to be corrected by means of cursor editing to prevent the inconvenience of restarting at the beginning if an input is incorrectly entered.

Cursor Edit mode is automatically entered by responding 'Y' to the prompt "ARE THESE DETAILS CORRECT (Y/N)". A flashing cursor will appear opposite the first input on the screen, and should be moved to the position of the incorrect input with the arrow keys 6/7. Once in position simply press newline or enter, and reinput the incorrect figure. All totals and dependent calculations will automatically be updated.

## OUTPUTS

The outputs from COMP-U-TAX cover the following three areas:

### **ZX81 16K/Spectrum**

(i) Tax Liability Report

This report contains the following information;

- Your net earned income ie total earned income less allowable outgoings.
- Investment income net of offsetting allowances.
- Total net income, which is the sum of the above two items.
- Personal allowances
- Taxable income, which is total net income less personal allowances and reliefs.
- Your total income tax liability

(ii) Tax/Rebate Due

This report prompts for PAYE already deducted and any other tax paid, excluding investment income credits, and determines whether you are liable to pay tax or can expect a rebate, after allowing for tax credits etc.

(iii) Wife's Earnings Election

Under certain circumstances it is beneficial for married couples to elect for their earned income to be taxed separately. If marital status is married COMP-U-TAX will automatically carry out the calculations to determine whether in your circumstances an election would be beneficial. If you

wish to make a Wife's Earnings Election you should approach your local tax office promptly and obtain the relevant forms, or seek professional advice.

#### **ZX81 1K Version**

The outputs from the 1K variant of COMP-U-TAX are the same as outlined above except that the total net income subtotal is not shown. The final page of your Data Preparation sheets is designed to allow you to record a summary of your results.

## PROGRAMME BOUNDARIES

In common with other simplified tax calculators there are some combinations of circumstances for which COMP-U-TAX is not sufficient to calculate fully your income tax liability. Some of these are listed below, and if you fall into one of these categories then you are urged to seek professional advice:

- Taxpayers not resident and domiciled in the UK.
- Income or expenditure exceeding £ 99,999 for any of the COMP-U-TAX input categories.
- Marital status changing more than once in the year.
- Schedule D and property rental income exceeded by expenses and capital allowances.
- Offset of prior year losses versus 1982/3 tax liability, or carry forward of unpaid tax from prior years.
- 'Top slicing' of lump sum payments exceeding £ 25000, life insurance premiums which exceed one sixth of total income and tax clawbacks on early surrender of life policies.
- Earned income plus investment income excluding building society gross receipts after certain outgoings paid net being exceeded by other allowable outgoings.
- If total gross deed of covenant payments exceed investment income after applicable outgoings and exceed £ 6250, then investment income surcharge will be understated.
- If a couple married during the year the wife's dependent relative relief, sons/daughters service relief, blind person's relief and mortgage interest paid exceed her income, then the husband's income tax will be overstated, usually by a very small amount.

