



THE CREATOR CFO™

UK TAX YEAR 2026/27

# The Creator **Tax Playbook.**

A plain-English guide to tax for UK content creators,  
influencers and online entrepreneurs.

Figures checked October 2026 against GOV.UK and Finance Act 2026. General information only, not tax advice.  
Rates shown are for England, Wales & Northern Ireland unless stated; Scotland sets its own income tax bands.

# Tax doesn't have to be **the scary part.**

You've built an audience. This playbook helps you understand the tax side of the business behind it: what HMRC expects, the key dates, and the habits that stop January from being stressful.

It's written for creators earning in the UK through TikTok, YouTube, Instagram, Twitch, podcasts, brand deals, affiliates, subscriptions and digital products.

## Important

This guide is general information based on UK rules for the 2026/27 tax year (6 April 2026 – 5 April 2027). It isn't advice for your situation. Tax depends on your circumstances and rules change, so speak to a qualified adviser before acting.

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# Registering with HMRC.

If you earn money from creating content, HMRC usually sees that as self-employment (a "trade"), even if it started as a hobby and even if you also have a job.

- If your gross self-employed income is more than **£1,000** in a tax year, you generally need to register for Self Assessment.
- Register by **5 October** after the end of the tax year you started. For example, if you started in 2026/27, register by 5 October 2027.
- You'll get a **Unique Taxpayer Reference (UTR)**. Keep it safe; you need it for your tax return.
- If you run your business through a limited company, the company registers for Corporation Tax instead, and you may still need a personal tax return as a director.

## SECTION 2

## Self Assessment: key dates.

| Date            | What happens                                                                                             |
|-----------------|----------------------------------------------------------------------------------------------------------|
| 5 April 2027    | End of the 2026/27 tax year                                                                              |
| 5 October 2027  | Deadline to register if you're newly self-employed in 2026/27                                            |
| 31 October 2027 | Paper tax return deadline                                                                                |
| 31 January 2028 | Online return deadline, plus balance of tax due and first payment on account for 2027/28 (if applicable) |
| 31 July 2028    | Second payment on account (if applicable)                                                                |

### Late penalties

Miss the filing deadline and there's an immediate **£100** penalty, even if you owe no tax, with more penalties if it's later still. Interest is charged on tax paid late.

# The £1,000 trading allowance.

Everyone gets a £1,000 tax-free trading allowance each tax year.

- **Gross income £1,000 or less:** usually nothing to declare or pay on it.
- **Over £1,000:** you can deduct either the £1,000 allowance or your actual business expenses, but not both.
- If your real expenses are more than £1,000, claiming them usually works out better.

The allowance is based on *gross* income (before expenses), and it covers all your self-employed income combined.

# Allowable expenses.

You can deduct costs incurred **wholly and exclusively** for your business. Common creator examples (usually allowable, depending on the facts):

| Usually allowable                        | Usually not allowable / restricted   |
|------------------------------------------|--------------------------------------|
| Cameras, lighting, mics used for content | Everyday clothing you'd wear anyway  |
| Editing software & subscriptions         | Personal food and drink              |
| Freelance editors, designers, assistants | Personal travel and holidays         |
| Agency/management fees                   | Fines and penalties                  |
| Business travel (e.g. to a brand shoot)  | Entertaining clients                 |
| Props bought only for content            | The personal part of mixed-use items |

**Mixed use?** For things like your phone, internet or a room at home, you can usually only claim the business proportion. Keep a note of how you worked it out.

## Keep records

Keep receipts and records for at least **5 years after the 31 January** submission deadline for that tax year. Digital copies are fine.

# Gifted products & PR.

This catches a lot of creators out. HMRC's general view is that if you receive products, services, trips or experiences **in connection with your work as a creator**, they can count as taxable income, especially where something is expected in return (a post, a review, a mention).

- Items received in exchange for content are generally treated as **payment in kind**. Their value is usually included as income.
- Truly unsolicited items with no obligation may be treated differently, but the detail matters. If you keep and use items because of your business, take advice.
- If you sell or give away gifted items, that can affect the position too.

## Good habit

Keep a simple **PR log**: date, brand, item, approximate value, whether anything was required in return, and what you did with it. It makes your tax return easier and shows HMRC you've taken it seriously.

HMRC publishes guidance for social media influencers on GOV.UK. Search "HMRC social media influencers tax".

# Platform payouts & self-billing.

Creator funds, ad revenue, gifts, LIVE rewards, memberships, subscriptions and tips are generally all taxable business income.

- **Record the gross amount.** If a platform or agency deducts fees before paying you, record the full income and the fee as an expense, so your figures match your statements.
- **Self-billing:** some platforms and agencies create invoices on your behalf (self-billing invoices). You don't raise your own invoice, but the income still counts. Download and keep them.
- **Reconcile monthly:** match each payout to its statement or self-billing invoice. It's much easier than doing a year in January.
- **US tax forms:** some US platforms (for example YouTube) may withhold US tax on earnings from US viewers unless you submit tax information (such as a W-8BEN). UK residents can often claim a reduced rate under the UK-US treaty.

# Brand deals.

- Fees from brand partnerships, sponsorships, UGC and affiliate commission are business income.
- A **£3,000 deal isn't £3,000 in your pocket:** agency fees, production costs and tax all come out of it. Price with that in mind.
- Charge separately for **usage rights, whitelisting and exclusivity.** They have real value to the brand.
- If you're VAT registered, you'll usually need to add VAT to UK brand invoices.
- Agree payment terms in writing, and chase late payments.

# International income.

Lots of creator income comes from overseas: US platforms, global brands, foreign affiliate programmes.

- If you're **UK tax resident**, you're generally taxed in the UK on your **worldwide** income, wherever it's paid from.
- Convert foreign currency income to pounds using a reasonable, consistent exchange rate (for example, the rate on the day received, or HMRC's published rates).
- If foreign tax was deducted, you may be able to claim **Foreign Tax Credit Relief** so you're not taxed twice, depending on the relevant tax treaty.
- Moving abroad, or spending long periods overseas, can change your residence position. Get advice before you go.

## VAT and overseas brands

VAT on services to overseas businesses can follow different "place of supply" rules. This affects both whether you charge VAT and how that income counts towards the VAT threshold. Take advice if a big share of your income is from abroad.

# VAT and the £90,000 threshold.

- You must register for VAT if your VAT-taxable turnover goes over **£90,000 in any rolling 12-month period**. It isn't the tax year; check every month.
- You must also register if you expect to go over £90,000 in the **next 30 days alone**.
- Generally, register within 30 days of the end of the month you went over.
- Once registered, you usually charge 20% VAT on UK taxable sales, can reclaim VAT on business costs, and file VAT returns (usually quarterly) through Making Tax Digital software.
- You can choose to register voluntarily below the threshold. Sometimes that helps, sometimes it doesn't.

Deregistration threshold: £88,000. VAT treatment of platform income can be complex. Check with an adviser.

# Making Tax Digital.

Making Tax Digital (MTD) for Income Tax means sole traders (and landlords) above certain income levels must keep digital records, use compatible software and send HMRC **quarterly updates**, plus a final return.

| From         | Applies if "qualifying income" was over... | Based on tax year |
|--------------|--------------------------------------------|-------------------|
| 6 April 2026 | £50,000                                    | 2024/25           |
| 6 April 2027 | £30,000                                    | 2025/26           |
| 6 April 2028 | £20,000                                    | 2026/27           |

Qualifying income is your **gross** self-employment and property income (before expenses). HMRC writes to people who need to join. All VAT-registered businesses already use MTD for VAT.

# Sole trader or **limited company?**

|                 | Sole trader                            | Limited company                                                                 |
|-----------------|----------------------------------------|---------------------------------------------------------------------------------|
| Set-up          | Register for Self Assessment           | Incorporate at Companies House                                                  |
| Tax on profits  | Income Tax + Class 4 NI on all profits | Corporation Tax: 19% up to £50k profit, 25% over £250k, marginal relief between |
| Paying yourself | Profits are yours                      | Salary and/or dividends, each with its own tax                                  |
| Admin           | Lower                                  | Higher: annual accounts, CT600, confirmation statement, payroll                 |
| Liability       | Unlimited personal liability           | Limited (generally)                                                             |
| Privacy         | More private                           | Some details public at Companies House                                          |

## Dividends in 2026/27

Dividend allowance £500. Above it, dividends are taxed at **10.75%** (basic rate), **35.75%** (higher rate) and **39.35%** (additional rate). These rates rose from April 2026, which changes the maths for many creators.

A company *can* be more tax-efficient at higher profits, but not always, and there's more admin and cost. The right answer depends on your profit, plans and how you take money out. Run the numbers before switching.

# Setting aside **tax.**

| 2026/27 (England, Wales, NI)            | Rate |
|-----------------------------------------|------|
| Personal Allowance: first £12,570       | 0%   |
| Basic rate: £12,571 – £50,270           | 20%  |
| Higher rate: £50,271 – £125,140         | 40%  |
| Additional rate: over £125,140          | 45%  |
| Class 4 NI on profits £12,570 – £50,270 | 6%   |
| Class 4 NI on profits over £50,270      | 2%   |

The Personal Allowance reduces by £1 for every £2 of income over £100,000. Class 2 NI is no longer compulsory but can be paid voluntarily (£3.65/week in 2026/27) to protect State Pension entitlement if profits are below £7,105.

## Worked example (illustrative)

Sole trader, profit £40,000, no other income:

Income Tax:  $(£40,000 - £12,570) \times 20\% = \text{£}5,486$

Class 4 NI:  $(£40,000 - £12,570) \times 6\% = \text{£}1,645.80$

Total  $\approx \text{£}7,131.80$ , about 18% of profit.

## Payments on account

If your Self Assessment bill is more than £1,000 (and less than 80% of your tax was collected at source), HMRC usually asks for two advance **payments on account** towards next year, each half of this year's bill, due 31 January and 31 July. Your first January can therefore be a big one. Plan for it.

## The habit that works

- Open a separate savings pot for tax.
- Every time money comes in, move a set % across (for example, 20–30% for many basic-rate sole traders; your adviser can help you set it).
- Don't touch it until your tax bill is due.

**Want help with your numbers?** The Creator CFO™: Helping creators build the business behind their brand. Book a discovery call via our website.