Sheet B: Side gigs and selling online

For the 2025/26 tax year (6 April 2025 to 5 April 2026). Checked October 2026.

Please note: this is general information, not tax advice.
Everyone's situation is different. If you're not sure what applies to you, check GOV.UK or talk to a qualified professional.

For anyone earning a bit on the side: selling online, making crafts, odd jobs, freelance or gig work, usually alongside a regular job. If working for yourself is your main living, read Sheet D instead. Not sure which sheets in this series apply to you? Start with Sheet A.

1. Do you need to tell HMRC?

The key test is the £1,000 **trading allowance** *(see link 1 at the end of this document)*. It's based on what you take in from sales or work in the tax year, **before** taking off any costs.

- **£1,000 or less:** usually tax-free, and you don't need to tell HMRC.
- **Over £1,000:** you must register for **Self Assessment** and do a **tax return** *(see link 2 at the end of this document)*. Sheet A explains how to register.

The £1,000 covers all your side earnings added together, not each one separately. Needing to do a tax return doesn't always mean paying tax. If your total income is under the £12,570 **personal allowance**, you may owe nothing.

2. Selling your own things, or trading?

Clearing out your own unwanted things isn't trading, and usually isn't taxed. Making or buying things to sell for a profit is **trading**.

Usually **NOT** trading	Usually **IS** trading
Selling your old clothes, toys or furniture	Making crafts, cards or candles to sell
A one-off car boot clear-out	Buying things to sell again ("flipping")
Selling a present you didn't want	Regular paid odd jobs, cleaning, gardening or deliveries

Etsy, eBay, Vinted and similar sites now report to HMRC. Since January 2024, these sites send HMRC details of sellers who make 30 or more sales, or about £1,700 (€2,000), in a calendar year *(link 3)*. This isn't a new tax. But it does mean HMRC can see your sales and check them against its records.

One exception for your own things: selling a single item for more than £6,000 at a profit may mean **Capital Gains Tax** *(link 4)*.

3. Under 18?

Age doesn't change the tax rules. Under-18s have the same £12,570 personal allowance and the same £1,000 trading allowance as everyone else. If a young person takes in more than £1,000 from trading in a tax year, they need to register for Self Assessment, just like an adult.

- **Check each site's age rules.** Many selling sites only let adults open an account, and some let younger sellers use a parent's account or sell with permission. The rules vary and change, so check the site's own terms before you start *(link 5)*.
- **Selling through a parent's account?** The site's report to HMRC will be in the parent's name. Keep a simple record of whose sales are whose, so the right person reports the right income.
- **National Insurance number:** most young people are sent theirs automatically just before they turn 16. You'll need it to register for Self Assessment.
- **Parents and guardians:** a young person can register and do their own tax return, but they'll probably need your help. If they're under 16, check with HMRC about National Insurance, as different rules can apply.

4. Key dates for 2025/26

The big one is **31 January 2027**: send your tax return online and pay what you owe *(link 6)*.

Date	What happens
5 Oct 2026	Last day to register if this is your first tax return. **Now passed.**
31 Oct 2026	Last day for paper tax returns.
31 Jan 2027	Last day to send your tax return online **and** pay any tax you owe.
31 Jul 2027	Second "payment on account", if you have to make them.

Missed 5 October? Don't panic. Register now. If you send your return and pay by 31 January, you'll usually avoid a fine. Your **UTR** comes by post and can take a few weeks, so don't leave it until January.

Late returns cost money, even if you owe nothing. There's an automatic £100 fine the day after the deadline. After 3 months it goes up by £10 a day, up to £900, with more at 6 and 12 months. Paying late adds interest and extra charges.

Watch out for payments on account *(link 7)*. If your tax bill is over £1,000, HMRC usually asks you to pay half of next year's bill in advance too. In your first year, this can mean paying about one and a half times your bill in January, so set money aside.

5. The £1,000 allowance, or your real costs?

You can take off **either** the £1,000 trading allowance **or** your real business costs, but not both. Choose whichever is bigger *(link 8)*.

- **Costs under £1,000?** The allowance is usually simpler and better.
- **Costs over £1,000?** Claim your real costs instead. Typical examples: materials and stock, online sales platform and payment fees, postage and packaging, tools and equipment, business mileage, and a fair share of phone and home costs.

Keep simple records from day one. Write down every sale and every cost, keep receipts, and download the sales reports from each site you use. A separate bank account for your side income makes this much easier. Keep your records for at least 5 years after the filing deadline.

6. Common questions

I only sell a few things a year. Do I need to do anything? Not if you're clearing out your own things, or your trading takings are £1,000 or less. Keep a note of your sales in case anyone ever asks.

A selling site asked for my National Insurance number. Is that a scam? Such platforms are legally required to collect these details, and it doesn't mean you owe tax. To be safe, log in to the site directly rather than clicking a link in an email.

I have a job as well. Does that change anything? Your wages use up your £12,570 tax-free amount first, in which case any side-gig profit is usually taxed at 20% or more. You still only do one tax return.

Can I do the tax return myself? Many people with one simple side income can, for free on GOV.UK. Sheet F in this series covers when it's worth getting help.

What if my side gig grows? If it becomes your main living, read Sheet D. Sheet E covers Making Tax Digital and VAT.

7. Getting help and staying safe

- **Can't afford to pay for help?** TaxAid is a charity that gives free, private tax help to people on low incomes *(link 9)*.
- **Beware of scams.** HMRC never texts you about a refund, and only emails about one from an address ending in hmrc.gov.uk. Be suspicious of any message about a refund, a penalty or an urgent payment, especially one with a link or asking for personal or bank details. If in doubt, go to GOV.UK yourself rather than clicking. Never share your HMRC login with anyone.

Words explained

HMRC: HM Revenue and Customs, the government department that collects tax.

Self Assessment: HMRC's system for people to report income that isn't already taxed, such as money from working for yourself.

Tax return: The form you send HMRC each year, usually online, showing what you earned.

Tax year: Runs from 6 April to 5 April the next year. The 2025/26 tax year ended on 5 April 2026.

Trading: Making or buying things to sell for a profit, or regularly doing paid work for yourself.

Trading allowance: The first £1,000 a year of trading income, which is tax-free.

Personal allowance: The amount of income you can have each year before paying any Income Tax: £12,570 for most people.

UTR: Unique Taxpayer Reference: your 10-digit Self Assessment number from HMRC.

National Insurance number: Your personal number for tax and benefits. It's on payslips and HMRC letters.

Capital Gains Tax: Tax on the profit when you sell something that has gone up in value.

Payments on account: Advance payments towards next year's tax bill, due on 31 January and 31 July.

Platform: A website or app that connects sellers with buyers, such as Etsy, eBay or Vinted.

Useful links

1. Tax-free allowances: https://www.gov.uk/guidance/tax-free-allowances-on-property-and-trading-income
2. Register for Self Assessment: https://www.gov.uk/register-for-self-assessment
3. Selling on a digital platform: https://www.gov.uk/guidance/selling-goods-or-services-on-a-digital-platform
4. Capital Gains Tax on personal possessions: https://www.gov.uk/capital-gains-tax-personal-possessions
5. Selling site age limits (GoHenry): https://www.gohenry.com/uk/blog/financial-education/how-old-do-you-have-to-be-to-sell-online
6. Self Assessment deadlines: https://www.gov.uk/self-assessment-tax-returns/deadlines
7. Payments on account: https://www.gov.uk/understand-self-assessment-bill/payments-on-account
8. Expenses if you're self-employed: https://www.gov.uk/expenses-if-youre-self-employed
9. TaxAid: https://taxaid.org.uk/about-us

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