



T Accountants & Co
ACCOUNTING, TAX & CONSULTANCY

YOUR DENTAL TAX ACCOUNTANT

At T Accountants & Co, we specialise in working with dental professionals - from associates to practice owners. We understand the unique challenges of dental accounting, including NHS Superannuation, associate contracts, and practice structuring.

CLICK BELOW FOR A FREE CONSULTATION

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Disclaimer: This checklist is for general guidance only and does not constitute professional advice. Tax rules change frequently and individual circumstances vary. Always seek professional advice tailored to your specific situation. T Accountants & Co Ltd. Information accurate as at February 2026.

Tax Efficiency Checklist

FOR SELF-EMPLOYED DENTAL PROFESSIONALS

This comprehensive checklist covers everything you need to consider to optimise your tax position as a dental professional. Whether you're an associate, hygienist, therapist, or practice owner, use this guide to ensure you're making the most of available tax reliefs and running your finances efficiently.

This checklist is designed for:

- Self-employed dental associates
- Dental hygienists and therapists
- Dental practice owners (principals)
- Those considering incorporation

1. BUSINESS STRUCTURE & SETUP

For All Dental Professionals:

- Review whether operating as a sole trader, partnership, or limited company is most tax efficient for your income level
- Consider incorporation if profits consistently exceed £50-60k (seek advice on NHS contract implications)
- If incorporated, ensure you're taking an optimal salary/dividend split
- Register for VAT if turnover exceeds threshold (note: most dental services are VAT exempt)
- Consider voluntary VAT registration if you provide cosmetic/private treatments to recover input VAT
- Set up a separate business bank account for clear record keeping

For Practice Owners (Additional):

- Review partnership agreements annually for profit-sharing arrangements
- Consider whether a service company structure is appropriate for your circumstances
- Plan for NHS contract transfers if considering incorporation (complex area - seek specialist advice)
- Review goodwill position and potential extraction strategies

2. ALLOWABLE EXPENSES TO CLAIM

Professional Fees & Registration:

- GDC registration fees and annual retention fee
- Professional subscriptions (BDA, specialist societies, etc.)
- Professional indemnity insurance premiums
- CPD courses and training - conferences, seminars, courses
- Professional journals and publications

Equipment & Consumables:

- Equipment and instruments - dental loupes, handpieces, burs, diagnostic tools
- IT equipment - laptops, tablets, software, practice management systems
- Uniforms and protective clothing - scrubs, lab coats, safety glasses
- Clinical consumables if you supply your own

Working Expenses:

- Home office costs if working from home - percentage of utilities, broadband, council tax
- Motor expenses - business mileage at 45p/mile (first 10k) then 25p/mile, or percentage of actual costs
- Travel and subsistence for locum work, courses, or multiple practice locations
- Professional cleaning costs for uniforms

For Practice Owners (Additional):

- Premises costs - rent, rates, utilities, repairs and maintenance
- Staff costs - salaries, employer NI, pension contributions, training
- Equipment lease/finance costs for dental chairs, X-ray, CAD/CAM, compressors
- Marketing and website costs
- Accountancy and legal fees
- Insurance - buildings, contents, employers' liability, business interruption

3. PENSION CONTRIBUTIONS

Personal Pension Planning:

- Maximise personal pension contributions (£60k annual allowance, subject to earnings)
- Contributions attract tax relief at your marginal rate - 40% or 45% relief available for higher earners
- Carry forward unused allowances from previous 3 years if applicable
- If incorporated, consider employer pension contributions - corporation tax deductible, no NI

NHS Pension Scheme (Associates & Practice Owners with NHS contracts):

- Review NHS Superannuation contributions and interaction with personal pension allowances
- Check total pension input across all schemes against annual allowance
- Consider tapered annual allowance if adjusted income exceeds £260k
- Review whether Lifetime Allowance planning is needed (if benefits exceed £1,073,100)
- Consider pension recycling rules if taking benefits while still contributing

4. CAPITAL ALLOWANCES

Annual Investment Allowance (AIA):

- Claim AIA for qualifying equipment purchases (100% relief up to £1m per year)
- Consider timing of major equipment purchases to maximise tax relief
- Pre-year-end planning - purchase equipment before accounting year end for immediate relief

Typical Dental Equipment Qualifying for Capital Allowances:

- Dental chairs and units
- X-ray equipment (including CBCT scanners)
- CAD/CAM systems and milling machines
- Autoclaves and sterilisation equipment
- Compressors and suction units
- IT systems and software
- Practice vehicles (if business use)

Full Expensing (Companies Only):

- If incorporated, claim 100% full expensing on qualifying plant and machinery
- Review whether equipment qualifies as 'main rate' or 'special rate' assets

5. INCOME SMOOTHING & PLANNING

Tax Planning Strategies:

- If a locum or freelance, consider timing of invoicing around tax year end
- Review bringing forward expenses or deferring income to manage tax bands
- Plan dividend timing if incorporated to stay within basic rate band where possible
- Consider spousal income splitting where spouse/partner is a genuine business participant

ISA & Investment Planning:

- Maximise ISA allowance (£20k per year) for tax-free investment growth
- Consider whether Stocks & Shares ISA or Cash ISA suits your situation
- Review dividend allowance usage (£500 for 2024/25)
- Capital gains tax planning - use annual exemption (£3,000 for 2024/25)

6. RECORDS & COMPLIANCE

- Maintain digital records of all income and expenses (Making Tax Digital compliant)
- Keep copies of all receipts for at least 6 years
- Track business mileage contemporaneously with a log
- File Self Assessment tax return by 31 January deadline
- Pay tax on account instalments on time (31 July and 31 January)
- Keep records of all locum/associate contracts and fee splits
- Maintain evidence of business vs personal use split for shared expenses

7. ADVANCED STRATEGIES

Incorporation Considerations:

- Review your tax position before deciding on incorporation
- Consider IR35 implications if providing services through a limited company
- Seek specialist advice on NHS contract transfer implications
- Evaluate goodwill position and extraction strategies on incorporation
- Consider whether associate contracts/arrangements create employment relationship

Property & Investment:

- If you own premises, consider whether ownership structure is optimal
- Review SDLT implications on practice property transactions
- Plan for capital gains tax on any property or practice sale
- Consider Enterprise Investment Scheme (EIS) or Seed Enterprise Investment Scheme (SEIS) investments

R&D Tax Credits (Practice Owners):

- Explore R&D tax credits if developing innovative treatment methods or practice technology
- Document qualifying activities and expenditure

8. DON'T FORGET

- High Income Child Benefit Charge - declare if earning over £60k and receiving Child Benefit
- Marriage Allowance - transfer £1,260 to spouse if you're a non-taxpayer and they're basic rate
- Student loan repayments - ensure correct plan type is being used
- Speak to a specialist dental accountant for personalised advice
- Review insurance coverage annually - life, critical illness, income protection
- Stay on top of HMRC Self Assessment deadlines and payments on account



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READY TO OPTIMISE YOUR TAX POSITION?

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BOOK A FREE CONSULTATION TO DISCUSS:

- Your current tax position and potential savings
 - Business structure optimisation
 - NHS pension planning
 - Practice acquisition or sale

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