ZAZEN TAX

# The Creator's UK Tax Handbook

Brand deals, ad revenue, affiliate, digital products, tips and the gifts that count, through one worked creator and one honest January.

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Eight chapters, one worked creator, and every figure checkable on the free tools.

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# Contents

One creator runs through every chapter: Robin Hale, a lifestyle and tech creator two years in, with five income streams, an agent on 15 per cent of brand work, £42,600 of gross income including a £1,800 drawer of PR gifts, and a first proper January coming. Every tool on zazentax.com uses the same creator, so the chapters and the calculators agree with each other.


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# 1 One creator, one year

Creator money has a shape: five small taps instead of one salary, income that arrives in kind as well as in cash, and a tax system that meets all of it one January at a time.

Robin Hale makes £24,000 of brand deals through an agent who keeps 15 per cent, £9,600 of platform ad revenue, £3,600 of affiliate income, £2,400 of preset packs and £1,200 of genuine tips. A drawer of PR items worth £1,800 arrived with briefs attached. That is £42,600 of gross trading income; after the £3,600 commission and £8,400 of honest costs, £30,600 of profit.

Each chapter takes one piece of that year. The numbers are worked, not illustrative: the same figures run through every calculator and workbook on zazentax.com, and each chapter names the tool that does its arithmetic on your numbers instead of Robin's.

> THE THEME OF THE WHOLE BOOK
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> Creator tax problems are visibility problems. The platforms report the income, the brands contract the gross, and HMRC reads both. The winning move is a return that matches the paper trail other people are already filing about you.

# 2 Every stream is income

The return wants the gross of everything: the fee before the agency cut, the payout before the platform fee, the barter before it is dressed as a freebie.

Brand work is the classic trap. The contract says £4,000, the agent keeps £600, the bank shows £3,400, and the correct return shows £4,000 of income with £600 of commission as an expense. Same profit, right paperwork, and it reconciles to the platform reports HMRC now receives every 31 January.

| The stream | Robin's year | On the return |
|---|---:|---:|
| Brand deals, gross | £24,000 | Income, in full |
| Platform ads | £9,600 | Income |
| Affiliate | £3,600 | Income |
| Digital products and tips | £3,600 | Income |
| Gifts with obligations | £1,800 | Income, market value |

Tips deserve one nuance: a genuine voluntary tip with no perks is still trading income for tax, even though it sits outside VAT. The Creator Income Tax Calculator takes all five streams and the drawer in one pass, and the Agency Cut and Gross Income Calculator holds the gross-to-banked reconciliation.

# 3 The drawer is income too

PR gifts tied to an obligation are barter: trading income at market value, taxed in cash you were never sent.

Robin's £1,800 drawer costs £468 at the basic-band margin of 26 per cent. The same drawer in the higher band costs £756. The test is the obligation: a brief, a tag, a deadline, an ongoing relationship. A genuinely unsolicited one-off with no strings is not trading income, and the difference is worth writing down at the time.

This book gives the subject one chapter; Gifts, Freebies and Barter, the companion flagship, gives it eight. The Gifted Products Tax Calculator prices any drawer, and the Gifts and PR Log keeps the record that defends the values.

## 4 What you can actually claim

Wholly and exclusively is the test, honest shares are the method, and the clothes rule is where creators meet it first.

Robin claims £8,400: camera kit and lenses under the annual investment allowance, editing software, props that exist for videos, travel to shoots, and use of home at the flat rate, £18 a month for 60 editing hours. The laptop that also streams boxsets claims 80 per cent; the phone claims 60. Honest shares survive questions; round numbers invite them.

Ordinary clothes do not qualify, however on-brand, because they carry the everyday-wardrobe duality; a costume or branded uniform can. Makeup for filming is claimable where it exists for the camera. The Kit and Home Studio Log carries the register, the shares and the flat-rate computation.

## 5 The bill, and the January that stacks

£30,600 of profit is a £4,687.80 bill. The first January is £7,031.70, and the difference is the payment-on-account system nobody warns creators about.

The bill is £3,606 of income tax plus £1,081.80 of Class 4 National Insurance. Because it exceeds £1,000, HMRC adds two payments on account of £2,343.90 each toward the next year: one stacked on the first 31 January, one due 31 July. The first January is one and a half bills, by design.

The defence is boring: a third of every profit payout moved to a separate account on arrival. The Payments on Account Calculator turns the timeline into dates and pounds, and the Creator Bookkeeping Template computes the reserve as the months land.

## 6 The American quarter

One form decides whether the platform quietly keeps 24 per cent of the payout. Robin's channel is £2,304 a year better for knowing it.

US platforms must withhold on US-source earnings. With no tax form on file they apply backup withholding at 24 per cent to the whole payout: £2,304 of Robin's £9,600. With a W-8BEN claiming the UK treaty, ad revenue is royalty income withheld at 0 per cent. The form lives in the platform's payment settings, costs nothing, and expires after three years, which is a diary entry, not a fact to discover.

Anything genuinely withheld under the treaty is usually creditable against UK tax rather than lost. The US Withholding and W-8BEN Calculator prices both worlds on your payout.

## 7 VAT before it happens

Not every stream counts toward the £90,000 test, which is exactly why growing creators get surprised by it.

UK brand deals, UK affiliate commissions and consumer sales count. Ad revenue billed to an overseas platform is outside the scope of UK VAT, and genuine voluntary tips are not payment for a supply, until a perk turns them into a membership. Robin counts £30,000 of the £40,800: £60,000 of headroom, checked on a rolling twelve months, monthly.

The trap is composition: double the brand work and the countable total races the threshold while the total income barely doubles. The Creator VAT Threshold Tracker counts what counts, stream by stream, and flags the 85 per cent line where checking monthly stops being optional.

## 8 The system watching, and the one to build

Platforms report, MTD is arriving on a timetable, and the creators who thrive are the ones whose own system is better than the one watching them.

Every 31 January, platforms send HMRC the year's income for their creators, with a copy to the creator. Quarterly digital reporting under Making Tax Digital reaches £30,000 of income from April 2027 and £20,000 from April 2028. None of it is frightening with records; all of it is frightening without.

The system to build is one weekly money hour: invoices out, the reserve moved, the bookkeeping current, the gifts logged. The First Self Assessment checklist starts it, the Going Full-Time checklist scales it, and the freelancer hub carries the Sole Trader or Limited Calculator for the day profits make the company question real.

# Where to go next

Start with the Creator Income Tax Calculator and your own five streams: the bill it shows is the number every other chapter organises. Then file the W-8BEN if it is missing, because that one is free money by Friday.

Every calculator and workbook mentioned in this book is free on zazentax.com, with no email form. They use the same figures, the same conventions and the same worked creator as the chapters here.

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## Zazen Tax

Accountants for creators. If you would rather someone ran the numbers with you, that is what we are for.

**zazentax.com/contact**

*General information, not advice for your circumstances. Rates and thresholds are 2026/27 for the UK and change from time to time.*