

What was important in the Autumn Statement for construction?

Intermediary labour suppliers must account for PAYE from April 2014 Legislation will be introduced from April 2014 which will require businesses supplying labour to a construction business to account for PAYE on that labour, whether or not the workers actually are engaged by the supplier, or by others. Obviously many people are looking at the draft legislation currently to see if it can be avoided but when pricing you should expect the cost of labour to rise where it is now sourced through agents and intermediaries at prices that suggest that the worker is paid as if he were self-employed. The measure is intended to stop businesses like Hudsons and East of England supplying workers to work under control and direction of construction employers whilst being paid as if they were self-employed.

There is a separate briefing on this legislation, email Liz@thetaxbridge.com if you would like a copy.

Basic IT personal allowance This will increase to £10,000 for 2014-2015. The basic rate limit will be £31,865.

Private residence relief for Capital Gains Tax Currently if a house which has been occupied privately is rented or unoccupied for the final 3 years before sale the gain from this period is exempt. This period will reduce to 18 months from April 2014.

Car and van benefits For 2014-2015 the benefit of a company van goes up from £3000 to £3090 and van fuel from £564 to £581.

The benefit of private fuel provided for a car goes up from £21,100 to £21,700. This should mean that hardly any one is given the benefit of private fuel, it is rarely worth having.

Changes will be made to legislation to ensure that payment for the private use of a company car or van must be made in the year in which the vehicle is provided if it is to reduce a taxable benefit.

Vehicle Excise Duty (VED) Heavy Goods vehicles From April 2014 the rates will be restructured. From October 2014 all VED will be payable by direct debit with a surcharge for half yearly or monthly payment and paper tax discs will be a thing of the past. ■

Aggregates Levy

With effect from 1st April 2014 the Government intends to make the following material types taxable:

- material that consists wholly of the spoil from any process by which coal, lignite, slate or shale has been separated from other rock after being extracted or won with that other rock.
- material consisting wholly of the spoil, waste or other by-products, resulting from the extraction or other separation from any quantity of aggregate of any china clay or ball clay (section 17(3)(e) Finance Act 2001).
- material that is wholly the spoil from the separation of any of the industrial minerals listed in section 18(3) of Finance Act 2001 from other rock with which the mineral was extracted or won (section 17(3)(f)(ii), 18(2)(b), 30(1)(b) Finance Act 2001).

Where extracted for use as aggregates and used as such:

- material that is wholly or mainly coal, lignite, slate or shale (section 17(4)(a) Finance Act 2001).
- material that is wholly or mainly clay (section 17(4)(f) Finance Act 2001).
- other industrial minerals, namely; anhydrite; ball clay; barites; china clay; feldspar; fireclay; fluorspar; fuller's earth; gems and semi-precious stones; gypsum; any metal or the ore of any metal; muscovite; perlite; potash; pumice; rock phosphates; sodium chloride; talc and vermiculite (section 18(3) Finance Act 2001).

Where used as aggregate:

- material that is mainly but not wholly the spoil, waste or other by-product of any industrial combustion process or the smelting or refining of metal (section 17(4)(c)(i) & (ii) Finance Act 2001)

Visit www.hmrc.gov.uk/briefs/excise-duty/brief3013.htm for Revenue and Customs Brief 30/13.

The rate of Aggregate Tax will remain at £2.00 per tonne. ■

Cont'd overleaf

PAYE - other news

If you have nine or fewer employees you will be able to go on reporting PAYE Real Time Information on or before the last pay day in a month until April 2016. This is a narrower easement than the current relaxation which comes to an end in April 2014 and is for businesses with fewer than 50 employees. Brand new businesses however small have no easement whatsoever and must always report before they pay. This includes new businesses started by incorporating an old business.

Payment booklets for 2014/15 will be sent out from now until the end of March 2014. Always check when you use a page from a payment booklet that it is the right page for the month you wish to pay, using the wrong paying in slip is still the source of many problems. If you do not have to pay for one month, destroy the slip. If you pay two months at once, use two appropriate slips to show each month independently. ■

VAT news

Notice 708 Buildings and Construction This has been revised to incorporate changes to approved alterations and substantial reconstructions. This issue is dated October 2013.

Surcharge Liability Notices Surcharge liability notices are critical and dangerous documents and should be treated seriously whether they are accompanied by a demand for money or not. Always ask yourself why you have one and seek help to avoid another – the penalties you are about to trigger are far worse than the interest on payday loans!

Fuel provided for private use – VAT Where fuel is provided for private use there is a deemed supply of fuel to the employee. For accounting periods beginning on or after 1 Feb 2014 the calculation to calculate the deemed supply can be made using a published table – SI 2013/2911 Value Added Tax (Flat-rate Valuation of Supplies of Fuel for Private Use) Order.

It goes without saying that it is now extremely costly to both employer and employee to receive private fuel as a benefit in kind unless the private mileage done is very large indeed. ■

New advisory fuel rates for company car drivers apply from 1 December 2013

The following new car fuel advisory rates apply to journeys undertaken on and after 1 December 2013 (rates from 1 September 2013 in brackets). Advisory fuel rates are the HMRC approved rates at which employers can reimburse their employees for business travel in company cars, or to require employees to reimburse the cost of fuel used for private travel in a company car without attracting a fuel benefit charge. For the purpose of these rates, HMRC treats petrol-hybrid cars as petrol cars. HMRC will also accept the figures in the table for VAT purposes though employers will need to obtain and keep receipts for the fuel claimed. During December, employers could use either the previous or the current rates. ■

Engine Size	Petrol	Diesel	LPG
1400cc or less	14p (15p)		9p (10p)
1600cc or less		12p (12p)	
1401cc - 2000cc	16p (18p)		11p (11p)
1601cc to 2000cc		14p (15p)	
Over 2000cc	24p (26p)	17p (18p)	16p (16p)

If you have any queries regarding any of the items mentioned in this edition of newsline please contact Liz Bridge.
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