

JTC NEWSLINE

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Tax changes ahead

Chancellor George Osborne has announced that he will be holding a second Budget of 2015 on 8 July. He says that this will be a budget for "working people". There will be a great deal of speculation over the next couple of months as to what will be announced. We know that several measures expected to be included in the first Finance Act 2015 were omitted, so announcements are expected on these. Of interest to construction include:

- Tax exemption for trivial benefits.
- Changes to Enterprise Investment Scheme (EIS) and Venture Capital Trusts (VCT) rules.

What else?

- Following a review of travel and subsistence rules, expect some changes to prevent perceived abuse of the temporary travel rules by employment agencies and also changes affecting one man personal service companies.

Consultation has been ongoing over the last few months on a range of topics including tax penalties. The present regime is bleak, we can only hope it will be improved for simple errors and small mistakes. ■

CIJC new pay and travel rates

The CIJC have agreed full details of new CIJC basic pay rates and allowances effective from 29 June 2015. Basic pay rates increase by 3% which is in accordance with the pay deal negotiated in November 2013 and promulgated in December 2013.

The taxed travel allowance scale increases by 3% in line with the increase in basic pay rates and the non taxed fare and lodging allowances increase by 0.9% in line with the March 2015 RPI.

Industry sick pay increases to £115.00 per week and is in addition to SSP but payable for a maximum of 10 weeks.

Please email Liz@thetaxbridge.com if you would like a copy. ■

NIC - employment allowance

When the Government introduced a £2,000 a year employment allowance that provided relief against the first £2,000 of employers NIC in a year, employers with domestic workers were excluded. From April 2015 those employing an employee because of old age, mental or physical disability, past or present dependence on drugs or alcohol, illness or mental disorder, also qualify. **Note:** childcare still does not qualify. ■

Employers: what's on April to July 2015/2016

Real Time Information reporting for PAYE

- FPS and EPS returns for 2014/15 should now have all been submitted. Any outstanding returns should be filed using an earlier update.
- IR35 and personal service companies: there is a late filing concession for IR35 deemed payments.
- Search www.gov.uk for "what happens if you don't report payroll information on time?"

Share and share scheme reporting and penalties

- If you issued shares or granted share options to a director or employee in 2014/15 you should register your "scheme" with HMRC via PAYE online and by 6 July submit your 2014/15 scheme return online.
- Owner-managed companies and transfers of shares to family members: you do not need to report the gift of shares to your spouse, civil partner or family members if the gift is made in the normal course of the domestic, family or personal relationships of that person. All reporting is now done via HMRC PAYE online. The complicated aspect of share reporting is that you must complete your report on a CSV file and upload the file. This is likely to take some time so if you are new to this allow sufficient time to file. Once the filing deadline has passed you will be unable to submit a 2014/15 return.

Form P11D

- The deadline for filing the 2014/15 P11D is 6 July 2015.
- The deadline for payment of Class 1A NICs for 2014/15 is 19 July (or 22 July, if paid electronically) unless you have ceased trading.

P11D FAQs:

- Where do I report share awards? Don't report share awards on form P11D, see above.
- The company paid for improvements to the director's property and some of these relate to the company's office at the director's home, is there any benefit? The starting point is whether this is business expense or not. Report the cash equivalent of the benefit, including VAT for the year in which the expenditure was incurred less any amounts made good.
- There are no benefits to report this year do I do anything? Notify HMRC on form P11D(b).
- Do I need to do anything about van benefits for zero-emission vans now? Notify HMRC so that it can adjust your employee's tax code from 5 April 2015.
- When do the Finance (No.2) Act 2015 changes take place? If you mean the radical changes to dispensations, payroll of benefits and taxing lower paid workers, these all apply on or after **6 April 2016**. ■

Appealing online against a Construction Industry Scheme (CIS) late-filing penalty using the Penalty and Appeals Service (PAS)

What is the change?

From 16 June 2015 contractors and their authorised representatives will be able to use HMRC's online Penalty Appeal Service (PAS) to make an electronic appeal against CIS late-filing penalties. PAS will display the penalty details.

You should (using options in PAYE/CIS online) sign up for this service as online is the quickest, easiest and most straightforward way to make an appeal. HMRC will deal with the appeal online providing contractors or their representatives with an immediate acknowledgement. Only if the appeal is not accepted will it be referred for further review to an HMRC Officer.

How to make an appeal

To make an online appeal, contractors or their agents should:

1. Go into the PAYE/CIS online section of online services.
2. Select 'appeal a penalty'. Agents will find their clients' details under 'your current clients'. 'Appeal a penalty' will list all the penalties that can be appealed, showing the:
 - o Unique ID (shown on the penalty notice)
 - o Type of penalty
 - o Issue date (shown on the penalty notice)
 - o Tax (Return) period end date
 - o Amount of penalty
3. Select the Unique ID as shown on the penalty notice for the penalty that you wish to appeal.

What will be displayed if there are no penalties to appeal?

It will also tell you if there are no penalties that can be appealed, by stating either 'You do not currently have any penalties that can be appealed' or if you are a representative, 'Your client does not currently have any penalties that can be appealed'.

How am I told if the appeal is successful?

Once the appeal has been processed a generic notice will be issued, check the generic notice for the result of the appeal. These notices can be accessed through the 'generic notices' which is the option below the 'appeal a penalty' option.

Better still, to avoid receiving a CIS late-filing penalty please ensure Contractor Monthly Returns are submitted by the 19th of every month. ■

Reclaiming VAT on car derived vans and combi vans

HMRC realised that they had got themselves into a knot with its lists on what was a car derived van and a combi van. They have reconsidered where they stand on many vehicles and issued a new list which is available at the following link -

www.gov.uk/government/publications/hm-revenue-and-customs-car-derived-vans-and-combi-vans

The list is the list of vehicles on which VAT can be reclaimed. The list is based on information supplied by manufacturers. At any one time it may not be complete or up to date where models change or information has not been provided.

The list is specific to the vehicles for which information has been supplied by the manufacturer or concessionaire – vehicle from other sources may not meet the criteria to be treated as commercial vehicles. HMRC stress that it is your responsibility to get confirmation in writing from the business selling to you that the vehicle meets the technical criteria. ■

If you have any questions regarding any of the issues raised in this edition of Newsline please contact Liz Bridge.

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