

# JTC NEWSLINE

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## Business rates - Autumn Statement

There was disappointment, if not so much with what the Chancellor said but what he omitted, on business rates in the Autumn Statement. The Government had promised to create, within 6 months of coming into power, a 'business rates system fit for the 21st century' which would be 'simple, transparent and responsive'. The Chancellor has deferred any decisions until Budget 2016. The key announcement so far is the continuation for a further year of the existing small business rates relief scheme. This means the uniform business rate will increase next year by 0.9% in line with last September's Retail Prices Index. ■

## Scottish rate of income tax

The Scottish rate of income tax will come into effect from **6 April 2016**. **What you need to know.**

- Scottish taxpayers will have a tax code prefixed by an 'S'. Scottish tax codes will be issued as part of the annual coding routines to employers, so the correct rate of income tax can be deducted based on each individual's taxpayer status.
- If any of your employees live in Scotland you will be sent the 'S' Tax code in the annual coding run.
- You must ensure that your payroll software is up to date and able to apply the new 'S' codes.
- You will need to apply the new 'S' tax code to all employees identified as being a Scottish taxpayer even if the rates of income tax in Scotland remain the same as the rest of the UK.
- There will be no change to the way you report or make payments for income tax to HMRC, other than applying the 'S' tax code to Scottish taxpayer employees.
- You do not need to take any action to identify whether any of your employees are Scottish taxpayers, as this will be done by HMRC using the address information held on their records.
- Please encourage your employees to tell HMRC if their address changes, to enable them to correctly identify any Scottish taxpayers and ensure they pay the right amount of tax.
- The tax tables will be updated on GOV.UK in February 2016 to show the Scottish rates of income tax for basic, additional and higher rate taxpayers. On 2 December 2015, HMRC started to contact customers living in Scotland where their records show that this is their main address, to inform them they have been identified as being a Scottish taxpayer. ■

## New advisory fuel rates for company car drivers apply from 1 December 2015

HMRC have set advisory fuel rates for company car drivers to apply from 1 December 2015. Employers can use these rates to reimburse company car drivers for business fuel.

These rates should not be used in relation to vans. These amounts also apply for VAT purposes, but employers can only reclaim input VAT if the employee supplies a receipt. ■

Engine Size	Petrol	Diesel	LPG
1400cc or less	11p		7p
1600cc or less		9p	
1401cc - 2000cc	13p		9p
1601cc - 2000cc		11p	
Over 2000cc	20p	13p	13p

## Flooding

The government's COBRA emergency committee has agreed that households and businesses affected by the severe weather and flooding will be given relief from council tax and business rates.

Details of who will qualify for the relief and how long the waiver will last are still being worked out. HMRC have also opened a new telephone helpline to enable anyone affected to get practical help and advice on a wide range of tax problems they may be facing.

HMRC have confirmed that they will:

- Agree instalment arrangements where taxpayers are unable to pay as a result of the floods.
- Agree a practical approach when individuals and businesses have lost vital records to the floods.
- Suspend debt collection proceedings for those affected by the floods.
- Cancel penalties when the taxpayer has missed statutory deadlines.

The helpline number is **0800 904 7900**, and opening hours are Monday to Friday, 8am to 8pm; Saturday and Sunday, 8am to 4pm, excluding bank holidays. ■

**Changes to CIS are coming in April.** Think carefully if you trade net or if you have subcontractors who trade net. ■

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