

JTC NEWSLINE

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May 2022

A quiet month?

I was going to say that May is a nice quiet month after the start of the new tax year in April, but there is still a cluster of deadlines to check you have factored into your planning.

- **1 May** CT payments for 31 July 2021 accounting periods (unless you are a large company required to pay by quarterly instalments)
- **1 May** Updated [VAT fuel scale charges](#).
- **3 May** If you're still using a printed [form P46\(Car\)](#).
- **7 May** Electronic filing and payment of 3/13/22 VAT
- **19 May** If you are not paying electronically, this is the deadline for PAYE/NICs/CIS/Student Loan for the month ended 5/5 and for CIS returns. These payments need to clear HMRC's bank account by 22 May.
- **31 May** deadline for employees to have received P60s from their employers.
- **31 May** Companies House should have received 31/8/2021 private company accounts and 31/11/2021 accounts for plcs.
- **31 May** CT self-assessment returns for companies with accounting periods to 31 May 2021.

Working from home relief

The Covid-related relaxation to the rules on claiming expenses for working from home has now been abolished. What this means is that if your employees *can* work from home if they choose but you have not *required* them to work from home, they can no longer claim home office expenses (they should check their 2022-23 notice of coding).

There is a clear statement from HMRC that "You cannot claim tax relief if you choose to work from home" which you [can find here](#) and there is a "check your status" tool employees can complete for themselves [here](#). ■

Deemed contractors

There has been a small change to HMRC's internal instructions on the Construction Industry Scheme. A non-construction business can be "deemed" to be within CIS if they spend more than £3 million on construction in any rolling 12 month period.

The change [to this paragraph](#) is that HMRC now considers VAT as part of this threshold. This is, of course, quite different to the other CIS measurements of construction operations such as the turnover test for CIS gross payment status which continue to exclude VAT. ■

Avoidance schemes

HMRC acquired new powers in the 2022 Finance Act that allow them to publish information about tax avoidance schemes much earlier than they were previously able.

They exercised this power for the first time on 7th April when they issued [this statement](#) naming two schemes and their promoters.

The schemes involve avoidance of income tax and national insurance for contractors.

Needless to say, you should not be involved in any such schemes in the first place and if some "tax mitigation" you are offered looks to good to be true it almost certainly is, but should you have any doubts this is another place to look before you leap. ■

NICs reminder

National Insurance is not cumulative over the year like income tax but charged week by week, and there are three changes to the rates and limits happening over the next year.

You should by now have settled into deducting the higher rate introduced on 6th April which adds in the new Health and Social Care levy (HSCL) of 1.25%. From April 2023 NICs reduce by this amount but the gross deduction remains the same, because HSCL will appear as a separate line on employees' payslips.

To partly compensate for this, the threshold at which NICs are charged will increase substantially to match the Income Tax personal allowance, but this change will not take place till 6th July.

One issue which worried lower paid employees in the Spring Budget was the state pension qualification: people who are taken out of paying NICs by the increase in threshold will nevertheless continue to qualify for state pension provided their pay continues to be above the Lower Earnings Limit of £123 per week (£533 per month £6,396 per year).

You might think it worth your while to have an explanation of these changes which you can deliver to your employees: a letter with payslips? A one off webinar? Rather than have your payroll department have to keep explaining the same material individual by individual. The government's web page of rates and thresholds [is here](#) and the Low Incomes Tax Reform Group has a helpful explanation [here](#). ■

**If you have any feedback
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