

July & August 2024

Tax

Newsletter

CIS Payment Deduction Statements

From the beginning of July HMRC stopped issuing Payment Deduction Statements from the Construction Industry Scheme helpline, stating this change will "improve our processes and keep your data secure." Read the announcement [here](#).



Insurance group deemed contractors

HMRC have written to several insurance sector groups aiming to ensure that, if they commission construction of more than £3 million value in a rolling one-year period, they register for CIS as a 'deemed contractor'. The letter reminds them that work commissioned via a loss adjuster must be included. A copy of the letter can be seen [here](#).



PAYE repayments

HMRC is [changing the way](#) it repays the majority of its PAYE (Pay As You Earn) customers who are eligible to claim their repayment online. From 31 May 2024, cheques will no longer be issued automatically to any employees who receive a tax calculation letter and do not claim the repayment online. Instead, customers will need to take an action to receive their repayment.

Customers can claim their repayments at tax overpayments and underpayments. They will also be able to request a cheque through this process if preferred. Instructions on how to claim will be available when they receive their tax calculation letter. This will include alternative routes for customers who cannot claim their repayment online.



PAYE Settlement Agreements

If you are an employer with a PAYE Settlement Agreement, HMRC are [reminding you](#) that you need to prepare and send in a calculation of the tax due before



the payment dates (22 October 2024 if paying electronically or 19 October 2024 if you pay by post). If you pay your PSA without submitting calculations it means they cannot verify what the payment is for or if it is correct. There is an [online form](#) to use.



Time to pay

There are more opportunities for taxpayers with cash-flow difficulties to make time to pay arrangements online rather than having to negotiate individually with HMRC staff. The parameters for the computer to agree PAYE and VAT time to pay arrangements are clearly set out [here](#). Even so, if "computer says no" it can still be worth contacting HMRC via the helplines and explaining your circumstances to a human being.



Estimating the effect of VAT registration

There is a [new tool](#) developed by HMRC which allows small businesses to check what would happen were they to register for VAT. You can play around with different scenarios and there are examples and links to guidance. The tool was developed with input from small business users but cannot, of course, give definitive answers in all circumstances, particularly when a business goes over the £90,000 threshold as a result of a one-off contract unlikely to be repeated.

