Withdrawal of extra statutory concessions – CIOT comments

Employment Tax | Personal tax

01 March 2016

CIOT and ATT respond to the call for evidence

The ATT and CIOT have responded to a proposal, published on 4 November 2015, to withdraw a concessionary practice in BIM66301, under which sub-postmasters (SPM) remuneration can be treated as a trade receipt, with effect from April 2017. The concessionary treatment in BIM66301 has been an important way for SPM to deal efficiently with their tax affairs when a salary is received at the same time as a retail trade is carried on from the post office.

It is understood that the Post Office is rolling out new contracts to SPM under which the individual is self-employed and agrees to provide services to the Post Office. As a consequence the practice in BIM66301 will then become obsolete.

The roll-out of these new contracts is not complete and the ATT and CIOT believe the practice in BIM66301 should not be withdrawn until after all these new self-employed contracts have been signed. Consequently, both recommended retaining the existing treatment until the end of the last tax, or financial, year in which remuneration is received under the ‘employment’ contract.

Read the full CIOT response here.

Read the full ATT response here.