



Excerpts from the Spending Review and Autumn Statement 2015

BROWN WITHEY LLP

BROWNWITHEY.COM

Taxation of Sporting Testimonials

- ▶ From 6 April 2017 all income from sporting testimonials and benefit matches for employed sportspersons will be liable to income tax.
- ▶ An exemption of up to £50,000 will be available for such people where the income from testimonials are not contractual or usual.
- ▶ This will apply where the testimonial is granted or awarded after 25 November 2015 with the event taking place after 6 April 2017.

Competitor Exemptions

Non resident competitors will be exempt from income tax on their earnings from the following events:

- ▶ 2016 London Anniversary Games – Final year
- ▶ 2017 World Athletics and Paralympics Championship

Excluded Activities for EIS, SEIS & VCTs

- ▶ With effect from 30 November 2015, the provision of reserve energy generating capacity and the generation of renewable energy benefiting from other government support by community energy organisations will no longer be qualifying activities.
- ▶ The Government will exclude all remaining energy generation activities from the schemes from 6 April 2016.
- ▶ Increased flexibility for replacement capital within EIS and VCT, subject to State Aid Approval, will be introduced.

Employment Intermediaries

- ▶ Legislation will be introduced to restrict tax relief for travel and subsistence expenses for workers engaged through an employment intermediary such as an umbrella company or personal service company.
- ▶ Individuals working through personal service companies will only be affected where the intermediaries legislation applies.

Simplification of Employee Share Schemes

- ▶ There will be a number of technical changes to streamline tax rules for approved and non-approved employee share schemes.
- ▶ It is intended that the tax treatment of employment related securities and options for internationally mobile employees will no longer be ambiguous. Any charge will arise under the legislation dealing with employment related security options rather than general earnings.

Apprenticeship Levy

The levy will be introduced in April 2017 and set at 0.5% of the employer's pay bill. It will be collected via PAYE and each employer will receive an allowance of £15,000 to offset against their levy payment. As a result, the levy will only be paid on pay bills in excess of £3 million.

Property Taxes

- ▶ Higher rates of Stamp Duty Land Tax (SDLT) will be charged on purchases of additional residential properties (above £40,000) such as buy to let properties and second homes.
- ▶ The change will take effect from 1 April 2016.
- ▶ The higher rate will be 3% above existing SDLT rates but will not apply to caravans, mobile homes or houseboats.
- ▶ The government will consult in 2016 on changes to the SDLT filing and payment process including a reduction in the time limit from 30 to 14 days from 2017/18.
- ▶ From 1 April 2016 the ATED and 15% SDLT exemptions will be extended to equity release schemes, property development activities and properties occupied by employees.

Property Taxes – Capital gains Tax

- ▶ From April 2019, a payment on account of capital gains tax following the disposal of residential property will be required to be made within 30 days of completion.
- ▶ This will not apply to those properties exempted by Private Residence Relief. A consultation document will be issued by the government.
- ▶ The capital gains tax computations required by non residents are to be amended retrospectively from 6 April 2015 and HMRC will be given powers to decide when a capital gains tax return is not required by non residents.

Loans to Participators

- ▶ With immediate effect, loans or advances made by close companies to participators who are trustees of charitable trusts for their charitable use, will not be subject to the Section 455 corporation tax charge.
- ▶ The charge will continue to apply to advances which are not used for charitable purposes.
- ▶ Charities may refrain from accounting for any Section 455 tax which could arise between now and Royal Assent.

Capital Allowances & Leasing – Anti-Avoidance

- ▶ This policy applies to transactions taking place with immediate effect and will affect those seeking to obtain a tax advantage.
- ▶ The disposal value of the person making a disposal and the qualifying expenditure of a person acquiring plant and machinery will be adjusted by HMRC where a purpose of the transaction is to increase the capital allowance or reduce the balancing charge on disposal.
- ▶ Where a company is entitled to tax deductions as a result of taking over obligations under a lease of another person, the company will always be taxable on any widely defined consideration received.

Partnerships and the Transfer of Intangible Assets

- ▶ This applies with immediate effect and will affect companies holding intangible fixed assets via a partnership including an LLP.
- ▶ The new rules will clarify when such assets will fall to be dealt with in the corporate tax intangible assets regime and when they will be treated as assets liable to capital gains when calculating the profits allocated to a corporate partner.
- ▶ The measure has been introduced for anti avoidance purposes to ensure that partnerships cannot be used in arrangements to obtain tax relief in a way that is contrary to the intention of the existing related party rules.

Contact Us



BROWN
WITHEY

6th Floor, 48 Gracechurch Street, London EC3V 0EJ
e: info@brownwithe.com w: brownwithe.com
T : +44 (0) 20 7183 3427