



## Facility Improvement and Tax Newsletter - No 7

This Newsletter provides community sports clubs with updates on the tax issues impacting facility improvement projects. The last few months have seen a Budget and Finance Act passed very quickly before Parliament dissolved with another Budget promised by the new Conservative Government on 8th July - more changes in tax are guaranteed!

**The current tax environment continues to be very difficult** with a substantial public sector deficit currently being addressed by the new Government; HMRC will be looking to maximise the tax take from their stretched resources. Failure of sports clubs to apply the PAYE rules accurately and on time will expose many to potentially heavy back tax charges, penalties and interest. Some simplification of the expenses and benefits rules have been introduced from April but the age old issue of differentiating between employees and the self-employed remains. The Office of Tax Simplification's 188 page March report has done little to help. Clubs operating PAYE and not audited by HMRC in the last 3 years need to watch out and check their PAYE compliance!

### **Government's proposed changes to the CASC scheme have now seen the light of day.**

New Regulations came into force on 1st April when HMRC's detailed guidance was also published. Existing CASC's will have until 31st March 2016 to decide whether to stay in the scheme or, subject to conditions, leave without penalty. Unfortunately HMRC have still not written to current CASC's warning of the new rules and it is unclear whether and when they will be doing so. CASC's should urgently review HMRC's 50+ page guidance on CASC's which can be found on its website. Alternatively [www.cascinfo.co.uk](http://www.cascinfo.co.uk) provides useful information on the current CASC rules and the recent changes. National Governing Bodies of sport are seeking clarification of a number of issues.

**HMRC Charities continues to be active** currently consulting on gift aid and donor benefits in the context of member subscriptions. Unfortunately gift aid on subscriptions to sports clubs which are CASC's is barred by law but some relief on subscriptions may be available to charitable sports clubs.

**The Budget and subsequent Finance Act 2015 produced little of interest to sports clubs** despite the latter being 350 pages long. Small benefits for sport generally were -the main corporation tax rate is now 20% for all clubs whatever their size, the Vat registration threshold increases to £82,000 from £81,000pa and the Government announced an increase in the maximum annual donations

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qualifying for the gift aid small donations scheme to £8,000 from £ 5,000 (maximum refund increases from £1,250 to £2,00pa). Charities and CASC's will be able to take advantage of this from next April.

We will await the second Budget in July but given the state of the public finances a better deal for sports clubs improving their facilities is not expected.

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