

FACTSHEET 8

The Construction Industry Scheme : Subcontractors

If you perform construction work within the Construction Industry Scheme then you must apply to the Inland Revenue for either :

- A Registration Card CIS4 , or
- A Tax Certificate
 - CIS6
 - CIS5 , or
 - CIS5(Partner)

You will not need to apply if :

- All your work is for , and you are directly paid by , people who are not contractors , for example private householders , or
- Your employer is deducting tax under PAYE for all your work .

How Do I Apply For A Registration Card ?

There are no conditions for holding a Registration Card . To apply for one you should :

- Take your completed form to any tax office , together with
 - A recent passport sized photograph , and
 - Two proofs of identity .
- Ensure that you take with you
 - One proof of identity bearing your photograph
 - One proof of identity showing your current address , and
 - Confirmation of your national insurance number if it is not already pre-printed on the application form .

How Do I Apply For A Subcontractors Tax Certificate ?

You will qualify for this certificate only if you can show the Inland Revenue evidence that you meet three requirements :

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- The Turnover Test
- The Business Test , and
- The Compliance Test .

These tests are designed to ensure that only larger businesses , with proper records and whose tax affairs are up to date will qualify for a Subcontractors Tax Certificate .

If your application for such a Certificate is unsuccessful , you will automatically be issued with a Registration Card .

What Do I Do With A Registration Card ?

A Registration Card will show :

- Your photograph
- Your Ni number , and
- Your signature .

The contractor will complete a tax payment voucher (CIS25) for each month that you are paid . They will give you one copy for your records and send details to the Inland Revenue . These vouchers clearly show the tax deducted by the contractor .

What Do I Do With A Subcontractors Tax Certificate ?

In the main (but not always) this will be a CIS6 Tax Certificate and holding this will entitle you to be paid gross . You will receive from the Inland Revenue a personalised supply of three part subcontractors gross payment vouchers (CIS24) . For every payment made to you in the tax month you should complete a voucher . The first and third copies of the voucher should be passed to the contractor who will add their tax reference number and then send one of the copies to the Inland Revenue . You should retain the second part of the voucher (the 'Subcontractor Copy') for your own records .

For further advice and before taking any action please give me a call .

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