

2017 is here already and with the New Year comes several new changes.

## What's new?

### Tax

#### **Off-payroll working in the public sector**

HMRC have published their technical note on the 'Off-payroll working in the Public Sector; reform of the intermediaries' legislation' which will take effect from April 2017 [link](#). (Note: Engagements in place before 6 April 2017 with payments made on or after 6 April 2017 is within the new legislation). The responsibility for deciding if the off-payroll rules for engagements apply now rests with the public authority, agency, or third party paying the intermediary and if so, gives them responsibility for deducting and paying taxes and NI to HMRC. This is separate to Treasury procurement rules / requirements which will continue.

### C

#### **Apprenticeship Levy**

A 0.5% apprenticeship levy is being introduced from April 2017 as a charge on employers with annual pay bills greater than £3 million. An associated agency which is an employer in its own right will have a liability to pay the levy itself; otherwise the parent department must include the agency's pay bill when calculating the levy liability. More information is available [here](#).

### O

#### **Software Licenses under COS 14**

The Tax CoE, in consultation with HMRC / HMT, has agreed a number of principles in relation to the current HMRC COS14 guidance and IT licences. This also includes a number of examples when licences are supplied as part of a fully managed service or in relation to bespoke software. See 'Joint Tax CoE, HMRC and HMT meetings' section of our webpage [link](#)

### E

#### **Amendments to COS Headings**

Once again, HMRC have published further updates to the COS headings. Heading 6 now states that it only applies to existing road schemes and more information is provided about smart motorways, tunnels etc. Heading 26 Vehicle Hire has had all references to a minimum of 30 consecutive days removed. The Tax CoE is currently seeking clarity on the impact of this from HMRC. Click [here](#) for all the headings.

## Other news

- Budget 2017 will take place on Wednesday 8<sup>th</sup> March.
- Last month, the cross-government VAT Forum took place and received some great feedback. The next will be held in July so please look out for further information.

## Actions

- Once more, we welcome feedback on this month's Bulletin and if there are any topics that you would like to see covered in the future. Email us [here](#)
- We still welcome hearing from you about what you would like to get out of the Tax Centre of Excellence, please get in touch with your usual contact, [here](#)
- Don't forget to regularly visit our Tax Centre of Excellence [website](#) which contains lots of other useful guidance and documentation.