



Welcome to May's Tax Centre of Excellence (Tax CoE) Customer Bulletin. The following aims to provide a snapshot of tax news/updates and signpost to more information where relevant. The Tax CoE can provide advice on a wide range of complex tax matters not limited to topics discussed here, for more information please visit our [website](#).

■ IR35 factsheet issued

HMRC have produced a factsheet "Off-payroll working rules in the public sector: Know the facts for contractors for 2020-21". They have asked that we cascade this to our contacts across Government. It will hopefully be helpful in supporting conversations with contractors about the current off-payroll working rules for the public sector as well as the changes being introduced in April 2021. This was previously shared by email and we have also attached it to this bulletin e-mail.

■ COVID-19 related VAT changes

Personal Protective Equipment (PPE)

A temporary VAT zero-rate has been introduced for supplies of Personal Protective Equipment (PPE) which are made between 1 May and 31 July 2020 and which are recommended for use by Public Health England in its guidance dated 24 April 2020, titled "Guidance, COVID-19 personal protective equipment (PPE)". Please see this [link to the policy paper](#) for further information.

E-publications

Plans to scrap VAT on e-publications have been fast-tracked by the Chancellor with e-publications becoming zero-rated from 1 May 2020. This [link to the policy paper](#) provides further information.

Making Tax Digital (MTD) delay

For those subject to MTD, HMRC have updated their [VAT Notice 700/22 Making Tax Digital for VAT](#) (section 4.2.1.1) to extend the soft landing period on digital links. This period will now end for VAT return periods starting on or after 1 April 2021.

HMRC has already written out to Government Departments, using the GIANT (Government Information and NHS Trusts) system, and stated that these departments will not need to start using MTD before April 2022.

■ COVID-19 staff deployments

Please note that where government departments are loaning staff to other departments to assist with COVID-19 related work, there is **no supply for VAT purposes** as long as there is no charge between the departments in question. If there is no consideration (i.e. charges between Departments, reimbursement of costs or budget transfers) there can be no supply

under VAT legislation. If there is a subsequent recharge of staff costs, e.g. for lengthy deployments or additional overtime / shifts then VAT will apply to these recharges.

■ COVID-19 related expenses and benefits

HMRC has issued some new guidance on how to treat some common expenses and benefits provided to employees as a result of the COVID-19 crisis. This can be found on gov.uk at the [following link](#).

HMRC have also recently updated their [Working From Home – COVID19 guidance](#) which now states that the reimbursement of office equipment will be non-taxable provided that there is no significant private use. For further details, please click on the link above.

Tax CoE have also prepared some supplementary guidance which can be found on our website [here](#).

■ HMRC Employer Bulletin

HMRC have issued their [April 2020 Employer Bulletin](#). This covers a host of different updates on direct tax matters and it is important to read and understand these.

The bulletin covers the delay to the off-payroll working rules reform until 2021 but it is worth noting an additional requirement for Public Sector Bodies and agencies for contracts falling in-scope of the rules. From 11 May 2020 the party paying the contractor's company will be required to start using the PAYE RTI "off-payroll worker subject to the rules" indicator in payroll software.

■ Tax CoE Tax Forums

We are reviewing how to deliver our tax forums remotely in light of COVID-19 impacts. We will be in touch in the near future to communicate dates, proposed format and content.

Don't forget to visit our Tax CoE [website](#) regularly, which contains lots of other useful guidance and documentation.

Once more, we welcome feedback on this bulletin and if there are any topics that you would like to see covered in the future. Email us [here](#).