

## Autumn Statement 2015 - key points for contractors

Contractors look set to face a galvanised HMRC with an £800m war chest for tackling tax evasion and avoidance, from which the Chancellor George Osborne believes £5bn of additional revenue is expected to be raised. Measures are planned to introduce new penalties for the General Anti-Abuse Rule (GAAR) and disguised remuneration schemes.

The Chancellor opened his Autumn Statement and Spending Review by saying: "This spending review delivers on the commitment made to British people that we would deliver security first."

He went on to say that he is: "Determined that this will be an economic recovery for all delivered in all parts of our country" and that the UK will have "the most digitally advanced tax administration in the world."

The measures so far identified that look likely to impact on contractors include:

Unspecified plans to tackle tax evasion and avoidance by providing HMRC with £800m – the GAAR and 'disguised remuneration schemes' will be targeted £7bn will be 'set aside' for housing, which will directly benefit construction contractors and contingent workers in the wider construction supply chain, as well as enabling many more contractors to get on the housing ladder

£12bn on defence projects that will trickle through to engineering contractors working across a range of disciplines

£3.8bn above inflation for the NHS that should directly benefit contractors in areas such as IT, technology and science, as well as interims who play a vital role in ensuring the continuity of leadership within the organisation.

IR35 and PSC's: Nothing mentioned in his speech. Awaiting documents to be published. More information to follow.

Massive investment in transport to £61bn, including High Speed 2, electrification of railway lines, £11bn investment in London, and £750m in new facilities in Kent to tackle Operation Stack. There will be £2bn for new flood defences, supporting engineering and construction contractors

The automotive and aerospace sectors will continue to receive support, alongside funding protection for science, which help support a long-term future for engineering and science contractors

Education receives a £10bn boost alongside a review of the existing budgeting regime - this could free up schools to spend more on property related projects, alongside hiring more specialist and supply teachers in the core contracting disciplines. The new funding scheme comes into force during 2017.

Less positively for contractors with a portfolio of buy to let properties, a new stamp duty will be applied for second homes. Fortunately, the measure will be consulted upon, enabling contractors and advisers to have their say before the changes are made.

Once the full Autumn Statement and Spending Review documents have been published, more information will be published about the measures specifically targeting contractors.

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