



CASC NEWSLETTER – SPRING 2019

NEW TAX RELIEF FOR NEW FACILITIES

A new measure to give tax relief for capital spending on facilities is being introduced by Government. Sports clubs may be able take advantage of this. The new measure may also benefit CASCs which pay corporation tax (CT) if their taxable income exceeds the annual exempt limits (£50,000 for gross trading and £30,000 for gross rental income). The Structures and Buildings Allowances (SBAs) will apply to expenditure which doesn't qualify as plant for tax purposes and is likely to include clubhouses, changing rooms, artificial pitches, indoor and outdoor courts. The rate of CT relief will be 2% per annum of costs incurred after 29th October 2018 and can be claimed for a period of 50 years after first use of the new facilities.

Determining employment status for tax and NI purposes can create challenges and result in substantial liabilities if a club gets it wrong. Government has consulted on the current legislation and framework for employment status. It has concluded there is a lack of clarity in the current tests and has now set out its plan of action. This will include legislation to improve the clarity of employment status tests to make it easier to classify a persons status and at the same time reduce the possibility of misclassifications. Please look out for developments; these changes are likely to affect CASCs.

VAT registered sports clubs including CASCs, with taxable supplies above the VAT registration threshold of £85,000, should be aware of the start of Making Tax Digital (MTD) for VAT. Some unincorporated not for profit sports clubs including CASCs who fall under the MTD for VAT requirements have had their MTD start date deferred until 1st October 2019 but others must generally comply from 1st April 2019 (although there are other reasons for deferral). If your club has had it's MTD for VAT start date deferred, you should have had a letter from HMRC explaining this. If your club hasn't received a deferral letter but you believe it should have, please follow up with HMRC via its VAT Helpline.

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The use of Gift Aid by CASCs and charity sports clubs is a great way of generating extra funds. Fundraising and the claiming of Gift Aid can also be done by using an online giving provider. Unfortunately one of these providers, BT My Donate is closing on 30th June 2019 and CASCs and charity sports clubs who use this platform should make alternative arrangements by this date. Please remember that membership subscriptions to CASCs do not qualify for Gift Aid.

Please take care when claiming VAT zero rating on new sports buildings. HMRC argue that CASCs are not generally eligible for the relief and were recently successful in arguing that a sports club charity should pay a penalty because it incorrectly provided a zero rating certificate for its new facility.

For further information contact your CASC Champion (davestubley@rfu.com) or visit www.englandrugby.com/governance/legal-and-admin/community-amateur-sports-clubs.

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