

Tax rules for Licences

'Tax Conditionality' rules made by HMRC (His Majesty's Revenue and Customs) apply to these Licences:

- Drive a Taxi or Private Hire Car (PHCs)
- Operate a Booking Office
- Carry on the business of a Metal Dealer on a site
- Carry on a business as an Itinerant Metal Dealer

from Monday 2 October 2023.

This is a national requirement and was not made by North Ayrshire Council. These rules already applied in England and Wales and are now being extended to Scotland and Northern Ireland.

The rules are different:

- if you are applying for your **first** Licence
- if you are applying to **renew** a Licence

If you are applying for your **FIRST** Licence

The rules mean you must confirm to the Council that you're aware of your tax responsibilities if you're applying for a licence for the first time (or your last licence expired a year or more ago).

You can get more information on the HMRC website:

<https://www.gov.uk/guidance/confirm-your-tax-responsibilities-when-applying-for-a-taxi-private-hire-or-scrap-metal-licence>

If you don't not need to complete a Tax Check you should read HMRC guidance about tax registration obligations on:

www.gov.uk/register-for-self-assessment

www.gov.uk/corporation-tax

www.gov.uk/income-tax/how-you-pay-income-tax

If you are applying to **RENEW** a Licence

You must:

- complete a HMRC Tax Check, and
- give the Council the Tax Check Code (it is 9 characters, for example "266 RLR TK6")

The Council will use the Tax Check Code to confirm that the Tax Check has taken place.

The Council:

- cannot make a decision to grant or refuse your Licence application without this
- needs to see a Tax Check Code issued within the last 120 days. If you already have one but it's more than 120 days old, you'll need a new one.

You can get advice about applying for a Tax Check on the HMRC website:

<https://www.gov.uk/guidance/complete-a-tax-check-for-a-taxi-private-hire-or-scrap-metal-licence>

The same rules apply if you are:

- applying for the same type of licence as one that ceased to be valid less than a year ago
- applying for the same type of licence you already hold with another licensing authority

You can get advice on Tax Checks from the HMRC website:

<https://www.gov.uk/guidance/confirm-an-applicants-tax-responsibilities-for-taxi-private-hire-or-scrap-metal-licence-applications>

<https://www.gov.uk/guidance/complete-a-tax-check-for-a-taxi-private-hire-or-scrap-metal-licence>

Why do I have to tell the Council about my tax?

HMRC can ask Councils for details of Licences and HMRC want Councils to publish this statement:

'Schedule 23 to Finance Act 2011 (Data Gathering Powers) and Schedule 36 to Finance Act 2008 (Information and Inspection Powers), grant HMRC powers to obtain relevant information from third parties. This includes licensing bodies being required to provide information about licence applicants.'

The Council does not deal with questions of how much tax you should pay or what allowances or reliefs you might be entitled to. If you have any questions about your tax affairs you should contact HMRC. The Council will only be asking if you are **registered** with HMRC.