

Project Scotland

“Levack At Large”

By

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Time is running out for those plumbers who have not been playing ballcock - sorry ball - as far as declaring their income to our friends at the HMRC. Without wishing to open the floodgates, HMRC have given plumbers until 31 May 2011, to notify the Exciseman of their desire to take part in The Plumbers Tax Safe Plan (PTSP). I am sure they will flush out some sticky customers from round the U-bend.

All joking apart, HMRC clearly attempt to run a tight ship and have noticed that they may have a slight leakage problem when it comes to collecting their dues from the plumbing fraternity.

This is an interesting development, as amnesties are usually reserved for the more dangerous aspects of modern life, such as knives, illegal firearms or drugs. I do not remember an amnesty for bent bankers or dodgy dealers in the City. However, the tax avoidance department at HMRC have clearly done their homework and set up a scheme to allow plumbers to sleep better at night. I was reading recently that an estimated 20,000 Britons have offshore bank accounts. I bet there are very few plumbers amongst them.

I support HMRC in their action to ensure they collect tax where it is rightfully due, and will watch with interest to see how successful the scheme is and what previously undeclared and more importantly uncollected revenues this flushes out.

Anyway for those amongst you from other trades, don't get too complacent because the HMRC website goes on to ask the million dollar question: What if I'm not a plumber but I want to get up to date with my tax?

The response provided is that if you are not a plumber, you may still find the associated PTSP forms cover everything you need to tell HMRC. It is clear from this that HMRC believe there are other areas where their collection is not what it should be. The advice even includes a very informative and easily understood flow diagram.

Whilst I would never condone any business or individual not paying their dues, I do hope that the UK Treasury is also willing to tackle the thorny subject of VAT on building repairs, maintenance and improvements. I have recently had several upstanding people advise me that they were contemplating undertaking works to their own homes, but the addition of VAT at 20% was enough to put them off. Well, they will either not spend money within the construction sector or appoint a cowboy from the black economy. Either option does not benefit the struggling small businesses across the country who are trying to earn an honest shilling and contribute to the economy.

When will the UK Government realize that their stance on this matter, only serves to stoke the fire of the black economy? Quite frankly the tax loss in the plumbing sector may well be

the tip of the melting iceberg, when it comes to tax issues relating to the construction industry.

I am pleased to record that the Scottish Government continues its support for a cut in VAT on repairs and maintenance to 5% and am encouraged by recent rumours that the Treasury may be looking more seriously into the matter.

Anyway, before I sign off for this month, can anybody recommend a decent plumber?

No doubt when I phone them, they will be too busy with their accountant.....