

Taxation Sub-Committee

Report to the Bursars' Committee

February 2021

The following business has been looked at in the last year.

Taxation of accommodation provided by colleges to fellows generally – exemption under s99(2)

The issue was pursued with HMRC which was unsuccessful in drawing any agreement from HMRC to the general availability of the exemption.

Information was supplied to college on approaches to valuing buildings for the purpose of assessing any benefit to be reported.

Taxation of accommodation provided by colleges to heads of houses – exemptions under s99(1) or s99(2)

A strong opinion was received from Laurent Sykes QC on 1st February on the availability of exemptions from taxation and as benefit. A note was circulated to bursars (and Oxford representatives) on 2nd February proposing a way to take the issue forward.

Taxation of supervision payments

HMRC conducted PAYE reviews of various colleges and investigated in depth with one college whether casual supervisors (i.e. not fellows) should be subject to PAYE. HMRC has concluded that PAYE does not apply to payments to casual supervisors. N.B. This does not affect the position with regard to Tier 4 supervisors who sign employment contracts who should continue to be payrolled as they are deliberately contracted into an employed status.

Rates – Information on how to set about challenging rateable values arising from the 2017 revaluation was circulated to bursars, most recently on 10th December 2020.

Council tax – A circular highlighting potential reliefs was issued to bursars on 10th December 2020

Value-added tax – A circular on reduced VAT for certain services was circulated on 20th July 2020.

Withholding taxes on dividends from US equities – Bursars are reminded to consider the technical and practical capability of investment managers and their custodians to obtain reliefs under the US/UK double tax treaty. This is worth asking as a due diligence question in appointing investment managers.

Other matters monitored by the Sub-Committee - Correspondence with HMRC in relation to the relationship management of colleges with HMRC

Taxation updates are kindly provided to bursars and accountants by Peters Elworthy & Moore.

RG Gardiner

Senior Bursar, Gonville & Caius College, Chair of Taxation Sub-Committee

2nd February 2021