



Tax Loophole closed

The Income Tax (Pay as you Earn) (Amendment) Regulations 2008 have been put before Parliament and are expected to come into force on the 6 April next.

The regulations will close the loophole that was identified in the case of *Demibourne v HMRC* which found that HMRC was entitled to charge an employer full tax and NI under the PAYE regulations where the employer had wrongly regarded an “employee” as self-employed and when HMRC did not give credit to the employer for tax and NI already paid by the employee in effect allowing HMRC to charge twice.

When the regulations come into force on the 6 April next this will no longer be possible.

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