

These notes will help you fill in the paper version of the Contractor's monthly return and any continuation sheets.

Your monthly return

Contacts

CIS Helpline and Orderline
0845 366 7899

Minicom **0845 366 7894**

Internet
www.hmrc.gov.uk/new-cis

As a contractor operating in the construction industry you will receive a return from us by the 5th of each month. We will need you to fill in details of payments made within the Construction Industry Scheme to all subcontractors for that particular tax month. A tax month runs from the 6th of one month to the 5th of the next, for example 6 April to 5 May.

We will partially complete the return with information we hold about your business and also details of those subcontractors you have verified or paid previously.

The return has been designed to be electronically scanned and when correctly completed, contains all the information required for us to update your record. You should:

- fill in
- sign, and
- send back

your monthly return in time to reach us by the 19th of each month. You will be charged an automatic penalty if we receive your return late. Even if you are in discussion with us about any issues concerning your return, it must still reach us by the 19th.

If you send the return to us without signing it, we will have to send it back to you for signature. Your return will not be treated as having been received until it has been returned fully completed and signed. We will not accept photocopies of any monthly returns or continuation sheets. You will be charged a penalty if it is not returned to us fully completed and signed by the 19th of the same month.

Under the Royal Mail Postage In Proportion initiative the return is classified as a larger letter. Please ensure correct postage is paid when returning.

The monthly return will normally be sent to the address held on our records but if you want an agent or adviser to receive your monthly return and other CIS correspondence, you should phone the CIS Helpline on **0845 366 7899**.

This booklet is available in large print. If you would like a copy please contact your HM Revenue & Customs office. Yr Iaith Gymraeg/Welsh language. Ffoniwch **0845 302 1489** i dderbyn fersiynau Cymraeg o ffurflenni a chanllawiau.

Replacement returns

Should you need a replacement Contractor's monthly return, because for example you have lost the original one we sent you, please phone the CIS Helpline on **0845 366 7899**.

Help and guidance

These guidance notes will help you fill in your monthly return. They do not have box-by-box notes - only notes for boxes you might need help with or want more information about. We are happy to help if there is anything you are not sure about. Please phone the CIS Helpline on **0845 366 7899**.

Filing your return online

Alternatively you can fill in your monthly return online. If you would prefer to do this, go to www.hmrc.gov.uk/new-cis for more information.

Deemed contractors

Businesses brought into the scheme because they spend an average of more than £1 million on construction operations each year do not have to apply the scheme or enter any payment details on the return for expenditure which relates to property used for the purposes of the business itself.

More information can be found in the CIS340 *Guide for Contractors and Subcontractors* 2.12 - 2.15.

Local authorities and public bodies

Payments to local authorities and public bodies should not be included on monthly returns.

Continuation sheets

There is only room for us to complete partial details for up to four subcontractors on the monthly return. When there are more than four, we need you to fill in continuation sheets. You must send any continuation sheets back to us at the same time as your monthly return otherwise your return is incomplete.

There are two versions of the continuation sheet.

CIS300(CS)

We will send this with your Contractor's monthly return when our records indicate you are paying five or more subcontractors. We will partially complete this continuation sheet with details of subcontractors you have verified or paid previously.

CIS300(CS)(Man)

This is a blank continuation sheet and will not show any subcontractor details. Only fill it in when you have made payment to subcontractors whose details you cannot fit on page 3 of your Contractor's monthly return. When you fill in a blank continuation sheet you must enter your Accounts Office Reference, UTR and Period of Return. We will supply blank continuation sheets in your Contractor Pack. You can get further supplies from the CIS Orderline on **0845 366 7899**.

Filling in your Contractor's monthly return

We will partially complete the return and any continuation sheets for you wherever we hold details for subcontractors you have verified or paid previously. If we are not able to do this, you will need to fill in the details on the return and, when it is full, on a blank continuation sheet.

If you do not make a payment to a subcontractor for three consecutive months they will not appear on subsequent returns until you tell us about them again.

Nil return

3 Even if you have not made any payments to subcontractors during the return tax month, you should tell us by making a nil declaration.

You can do this:

- at www.hmrc.gov.uk/new-cis after you have registered for CIS online, or
- by phoning the CIS Helpline on **0845 366 7899**, or
- by going to 'DECLARATION AND CERTIFICATE' on page 4 of the return and following the instructions from there.

If you choose to make a nil declaration either online or by phone, you do not have to send us your paper return.

If you have not made any payments to subcontractors in the month of the return and fail to make a nil declaration you will be liable to a penalty.

Inactivity in future months

If it is unlikely that you will be making payments to subcontractors over the next six months you can tell us at box 8 on page 4 of the return.

It is important that you tell us as soon as you start to pay subcontractors again as it is your responsibility to make sure a monthly return is sent to us when one is due.

Payments to subcontractors

Boxes 4.1 to 4.3 on page 2 will show completed details for those subcontractors who have been verified or paid previously by you. You will only need to fill in details for subcontractors you have paid.

We will not include details for subcontractors that have not been verified by the scheme.

Where you **have not** made payments to any of the subcontractors shown please leave the boxes **blank**. Do **not** write 'NIL' or put '0' in any of the amount boxes.

If you have paid subcontractors:

- check the entries in boxes 4.1 to 4.3
- fill in box 4.4
- where you have made a deduction, fill in boxes 4.5 and 4.6.

On page 3 fill in boxes 4.1 to 4.8 for any subcontractors whose details do not appear in boxes 4.1 to 4.3 on page 2 of your return, or on the partially completed continuation sheet. You will need to fill in a blank continuation sheet if you have paid subcontractors we have not listed and there are too many to include on page 3 of your monthly return.

A supply of blank continuation sheets will be included in your Contractor Pack. You can get further supplies from the CIS Orderline on **0845 366 7899**.

4.1 Subcontractor's name or business name

This should be the name of the subcontractor that has been verified or whom you have paid previously.

In some cases the name shown here may differ from the name held on your records because the subcontractor may use a different name for trading purposes. If so, check the subcontractor's unique tax reference (UTR) in box 4.2 with your records to confirm that this is the actual subcontractor you have paid.

If you are not sure this is the subcontractor you have paid, leave boxes 4.4 to 4.6 blank. You should then enter the details of the subcontractor you have paid in boxes 4.1 to 4.8 on page 3 of the return or if you have more than two, also on a blank continuation sheet (CIS300(CS)(Man)).

4.2 Subcontractor's unique tax reference (UTR)

This should be the unique tax reference of the subcontractor whom you have verified or paid previously, within the current or two earlier tax years.

If the reference shown differs from that on your own records and you are not sure this is the subcontractor you have paid, leave boxes 4.4 to 4.6 blank. You should then enter the details of the subcontractor you have paid in boxes 4.1 to 4.8 on page 3 of the return or if you have more than two, also on a blank continuation sheet (CIS300(CS)(Man)).

Payments to partnerships must be shown against the partnership's unique tax reference and not the partner's unique tax reference – both will have been supplied to you at verification.

4.3 Subcontractor's verification number

We will give you this number when you call to verify a subcontractor. If you verify a number of subcontractors at the same time, you will only get one verification number. So you may see the same verification number for different subcontractors on the return.

You only need to provide the subcontractor's verification number on page 3 where you have made a deduction at the higher rate.

If you do not have a verification number or have mislaid it please contact the CIS Helpline on **0845 366 7899**.

4.4 Total payments made

Enter the total of all payments you have made to the subcontractor in the month. **Do not include VAT** or any Construction Industry Board Training (CITB) Levy.

If you make a mistake, cross out the wrong information and write the correct information directly underneath the relevant box.

Filling in boxes 4.5 and 4.6

You only need to fill in boxes 4.5 and 4.6 where you have made a deduction from the payment to the subcontractor.

4.5 Materials paid for by the subcontractor

Enter the amount for the actual cost of any materials paid for by the subcontractor in the month.

4.6 Total amount deducted on account of tax

Enter the amount you have deducted from the subcontractor in the month. If making a payment under deduction to a subcontractor for the first time, you must use the deduction rate we gave you.

If making a payment under deduction to a subcontractor you have paid previously, you must continue to use the same deduction rate as before unless we have told you to change that rate.

Examples of how to calculate the deductions**Using a 20% rate**

Total payments made = £2,567.00 (A)

Less cost of materials = £367.00 (B)

Total amount deducted (A) – (B) $£2,200 \times 20\% = £440.00$

Using a 30% rate

Total payments made = £2,567.00 (A)

Less cost of materials = £367.00 (B)

Total amount deducted (A) – (B) $£2,200 \times 30\% = £660.00$

If a subcontractor's tax treatment changes in the month and you have made payments under deduction as well as gross payments, you should only make one entry for that subcontractor showing the total payments and deductions made.

Declaration and certificate**5 Nil return**

If you wish to report a nil return on this form:

- put an 'X' in this box **only** if you have paid no subcontractors in the month covered by this return
- sign your usual signature in box 9.

You may also report a nil return by phoning the CIS Helpline on **0845 366 7899** or going online at www.hmrc.gov.uk/new-cis

If you have paid subcontractors this month

6 **Employment status**
 Put an 'X' in this box when you have considered that all the subcontractors on this return and any continuation sheets are genuinely self-employed in relation to the work they have done for you. If you have any doubts or questions on employment status please phone the CIS Helpline on **0845 366 7899** for advice.

7 **Verified subcontractors**
 Put an 'X' in this box to confirm that every subcontractor on this return and any continuation sheets has been properly verified with us or has been included:

- in a previous monthly return in the current tax year, or
- in CIS returns for the past two years.

We may penalise you if you make false statements.

Correcting mistakes

In cases where you realise that previously submitted returns do not correctly reflect payments made or subcontractor details you should contact the CIS Helpline on **0845 366 7899** giving full details of the mistakes and the correct details.

Please do not make any minus entries on a return.

For full information about correcting mistakes, please look at the *CIS340 Guide to the Construction Industry Scheme*, available online at www.hmrc.gov.uk/new-cis or in your Contractor Pack.

Privacy and Data Protection – how we use your information

HM Revenue & Customs is a Data Controller under the Data Protection Act 1998. We hold information for the purposes specified in our notification to the Information Commissioner, including the assessment and collection of tax and duties, the payment of benefits and the prevention and detection of crime, and may use this information for any of them.

We may get information about you from others, or we may give information to them. If we do, it will only be as the law permits to:

- check the accuracy of information
- prevent or detect crime
- protect public funds.

We may check information we receive about you with what is already in our records. This can include information provided by you, as well as by others, such as other government departments or agencies and overseas tax and customs authorities. We will not give information to anyone outside HM Revenue & Customs unless the law permits us to do so. For more information go to www.hmrc.gov.uk and look for *Data Protection Act* within the *Search* facility.

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These notes are for guidance only and reflect the position at the time of writing. They do not affect any right of appeal.