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CITB Levy for Construction Activities

The Construction Industry Training Board (CITB) impose a levy on employers in the construction industry. Many involved in the construction industry are unaware of the CITB and their requirements to submit returns and to pay the levy.

If you are involved in the construction industry and have employees or subcontractors, it is likely you are liable to be registered.

The levy applies to all employers who are ‘*engaged wholly or mainly in construction industry activities*’. This means if your construction activities take up more than half of your total employees’ time (including subcontractors) then you are caught.

The levy is based on the total amount paid to ‘employees’ in the previous tax year (6 April – 5 April). Employees in this context means individuals on the payroll and Construction Industry Scheme (CIS) subcontractors who you make a CIS deduction from. Please note this does not include payments to subcontractors with gross payment status.

Small businesses are exempt from the levy if their wage bills are less than £80,000 in a tax year the organisation is not required to pay the levy. However, a levy return must still be completed and submitted.

This exemption threshold is set to rise in the 2020/21 tax year to £120,000. Please be aware of the reporting compliance even though a liability is not applicable.

If a business’s wage bill is more than £80,000 but less than £400,000 an automatic reduction of 50% is applied to the levy.

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