



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 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.

Does the levy apply to you?

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.

Please find examples of construction activities in the [attached list](#).

What is the purpose of the CITB Levy?

The Levy is used to support construction employers to ensure the industry has the skilled workforce based around:

- Support training development through grants and funding.
- Promote the construction industry and offer high-quality apprenticeships.
- Identify skills needs across the construction industry.
- Develop occupational standards and qualifications.

How much does it cost?

The levy is based on the total amount paid to ‘employees’ in a year. Employees in this context means individuals on the payroll and Construction Industry Scheme (CIS) subcontractors who you make a CIS deduction from.

The levy rates are assessed by the previous tax year (6 April – 5 April) and for 2020 they will remain at:

- 0.35% for PAYE (including furlough payments made under the HMRC Coronavirus Job Retention Scheme (CJRS)); and
- 1.25% for Net CIS (this does not include payments made to sub-contractors with gross payment status);

The Levy rates in 2021 will be reduced by 50% to support employers during the COVID-19 crisis:

- PAYE @ 0.175%
- Net CIS @ 0.625%

The CITB website includes a Levy calculator to assist with calculations.

Small business exemption and reduction

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 businesses wage bill is more than £80,000 but less than £400,000 an automatic reduction of 50% is applied.

Submitting a return

Returns can be submitted through a CITB online account or by post.

Once registered a return will be issued and it must be returned within 30 days.

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