



**Name of meeting:** Licensing and Safety Committee

**Date:** Wednesday 2<sup>nd</sup> March 2022

**Title of report:** New HM Revenue and Customs (HMRC) - Requirements for Taxi, Private Hire and Scrap Metal licence holders

**Purpose of report:** The purpose of the report is to inform members of the new HMRC tax requirements for licence holders from April 2022

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	No
Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)?</u>	Key Decision –No Private Report/Private Appendix – No
The Decision - Is it eligible for call in by Scrutiny?	Not Applicable
Date signed off by <u>Strategic Director</u> & name  Is it also signed off by the Service Director for Finance?  Is it also signed off by the Service Director for Legal Governance and Commissioning?	Colin Parr – 18.02.22  Eamonn Croston – 17.02.22  Julie Muscroft – 18.02.22
Cabinet member <a href="#">portfolio</a>	Councillor Will Simpson

**Electoral wards affected:** All

**Ward councillors consulted:** None

**Public or private:** Public

**Has GDPR been considered?** Yes – there is no personal data contained in this report.

## 1. Summary

1.1 This report is to provide members of the Licensing and Safety Committee information about the up-and-coming HMRC tax requirements that will affect both the Taxi and Private Hire licence holders and the Scrap Metal licence holders. The changes and requirements will take effect on 4<sup>th</sup> April 2022.

## 2. Information required to take a decision

2.1 The rules are changing for applications for:

- taxi driver licences
- private hire driver licences
- private hire vehicle operator licences
- scrap metal site licences
- scrap metal collector licences

2.2 From 4<sup>th</sup> April 2022, licensing authorities will be required to carry out certain checks on applications from individuals, companies, and any type of partnership to make sure they are aware of their tax responsibilities or have completed a tax check.

### New applications

2.3 If an individual or partnership is applying for a licence for the first time, they will not need to complete the tax check. However, they will be asked to read the HMRC guidance on what they need to do to be properly registered for tax in the future and they will need to confirm that they have done this when they submit their application.

### Renewals or applications for subsequent licences

2.4 Individuals, companies and any type of partnership must complete a HMRC tax check and give their licensing authority a tax check code if they are:

- renewing a licence
- applying for the same type of licence they previously held, that ceased to be valid less than a year ago
- applying for the same type of licence they already hold with another licensing authority

2.5 The licensing authority must then use the tax code to confirm that the tax check has taken place before granting or refusing the application.

2.6 The Licensing Authority cannot grant or refuse any application without completing the Tax check.

## Applications from partnerships

2.7 If an application is from a partnership, the Licensing Authority must get confirmation from HMRC that each partner in the application has completed a tax check, for example, if:

- one partner made the application on behalf of the partnership, confirmation must be sought that this single partner has done a tax check
- more than one partner makes the partnership's application, the authority must get separate confirmations that each of the partners has done a tax check.

## How the check is completed

Licence holders will need to have, or register for, a 'Government Gateway' account. Once registered the licence holder will need to answer a short questionnaire on how they pay any tax that may be due. Once this is completed the licence holder will be provided with a 'code' that they pass onto licensing.

HMRC advise the check should only take a few minutes, that guidance will be available on the Governments website and extra support from HMRC will be available for licence holders via a HMRC telephone helpline.

## **3. Implications for the Council**

### **3.1 Working with People**

One of the key priorities for the licensing service is to ensure the safety of the public.

The licensing service also must maintain its service standards for those who hold licenses with us. Communication is key to this and the information contained in this report needs to be clearly communicated to those licence holder for whom the requirements will affect.

### **3.2 Working with Partners**

Not applicable

### **3.3 Place Based Working**

There is no specific impact in the context of this report

### **3.4 Climate Change and Air Quality**

There are no implications in relation to Climate Change and air quality in this paper.

### **3.5 Improving outcomes for children**

There are no implications in relation to improving outcomes for children in this report.

### **3.6 Other (eg Legal/Financial or Human Resources) Consultees and their opinions**

#### Legal

The requirements for the HMRC tax check are a legal requirement and the Licensing Authority has no discretion regarding this and must reject any application that does not have the information required.

## **4. Next steps and timelines**

4.1 Correspondence has been sent out to all those licence holders that this new requirement affects, the website has been updated with the guidance and processes have been put in place in readiness for the 4th of April 2022.

## **5. Officer recommendations and reasons**

5.1 Members are asked to note the contents of the report.

## **6. Cabinet Portfolio Holder's recommendations**

6.1 Not applicable

## **7. Contact officer**

Fiona Goldsmith  
Group Leader – Licensing  
Tel: 01484 221000  
Email: [Fiona.goldsmith@kirklees.gov.uk](mailto:Fiona.goldsmith@kirklees.gov.uk)

## **8. Background Papers and History of Decisions**

8.1 Not applicable

## **9. Service Director responsible**

Katherine Armitage  
Service Director – Environment and Climate Change  
Tel: 01484221000  
Email: [Katherine.armitage@kirklees.gov.uk](mailto:Katherine.armitage@kirklees.gov.uk)