



Glasgow Grand Prix

Who is likely to be affected?

Non-UK resident sportspeople competing in the athletics event the Glasgow Grand Prix 2014.

General description of the measure

This measure provides an exemption from UK income tax for non-UK resident sportspeople on any income received as a result of their performance at the Glasgow Grand Prix 2014, or as a result of any activity carried out between 5 and 14 July 2014, where the main purpose is to support or promote the Glasgow Grand Prix.

Policy objective

The measure has been put in place to support the 2014 Glasgow Commonwealth Games in maximising the legacy of the London 2012 Olympic and Paralympic Games, and in spreading that legacy to Scotland.

Background to the measure

This exemption was announced on 12 February 2014. It is similar to the exemptions provided for non-UK resident competitors who took part in the 2013 London Anniversary Games and are taking part in the 2014 Glasgow Commonwealth Games. It applies only to income received by non-UK resident sportspeople who compete at or carry out activities between 5 July and 14 July 2014, where the main purpose is to support or promote the Glasgow Grand Prix.

Separately, a power is being taken in Finance Bill 2014 to allow for granting of similar future tax exemptions from primary to secondary legislation.

Detailed proposal

Operative date

The measure will affect the income tax of non-UK resident competitors in the Glasgow Grand Prix between 5 July and 14 July 2014.

Current law

Section 27 of the Income Tax (Earnings and Pensions) Act 2003 and sections 13 and 14 of the Income Tax (Trading and Other Income) Act 2005 impose a UK income tax charge on non-resident sportspeople's employment and self-employment income respectively, that is connected to a performance which takes place in the UK. Without the exemption provided by this measure, non-UK resident sportspeople would be taxed in the UK on both their income gained as a result of their performance at Glasgow Grand Prix, plus a proportionate share of their worldwide sponsorship income. The exemption will not apply to the income of UK resident sportspeople.

Proposed revisions

Legislation will be introduced in Finance Bill 2014 to provide an exemption from the above UK income tax charges for non-resident sportspeople on income related to a Glasgow Grand Prix performance.

Summary of impacts

Exchequer impact (£m)	2014-15	2015-16	2016-17	2017-18	2018-19
	negligible	-	-	-	-
	This measure is expected to have a negligible impact on the Exchequer.				
Economic impact	The measure is not expected to have any significant economic impacts.				
Impact on individuals and households	<p>The exemption means that non-UK resident sportspeople will not be subject to UK income tax on income related to Glasgow Grand Prix. They would be liable to tax on this income in the countries in which they are resident. UK resident competitors will not benefit from the exemption.</p> <p>The fact that exempted individuals would not need to fill out tax returns for this income will reduce the administrative burden on them.</p>				
Equalities impacts	The measure benefits non-UK residents, including some who are likely to belong to non-UK ethnic or national groups. The measure will benefit non-UK resident disabled competitors through the para-athletic element of the Glasgow Grand Prix. There are not expected to be any disproportionate impacts on protected groups.				
Impact on business including civil society organisations	This measure is expected to have a negligible impact on businesses and civil society organisations. It only affects a small number of non-UK resident sportspeople and may have a very slight effect in easing the burden on a very small number of associated accountants or management companies.				
Operational impact (£m) (HMRC or other)	It is not expected that implementing this change will incur any additional costs for HM Revenue & Customs.				
Other impacts	<p><u>Small and micro business assessment</u>: a negligible and non-differential impact is expected on small and micro businesses.</p> <p>Other impacts have been considered and none have been identified.</p>				

Monitoring and evaluation

This measure will be kept under review through communication with affected taxpayer groups.

Further advice

If you have any questions about this change, please contact Alan Patrick on 03000 551839 (email: alan.patrick@hmrc.gsi.gov.uk).