



These notes will help you fill in form CIS - individual registration for gross payment', CIS302

Registering for gross payment

You can register for the Construction Industry Scheme and apply for gross payment online or via the print and post form.

Registering and conditions of gross payment

To apply for registration under the new Construction Industry Scheme and have payments by contractors paid to you in full, your business must meet all of the following conditions:

- be run in the UK with a bank account
- have a net turnover of at least £30,000 each year
- have complied with certain tax obligations

These tests are known as the business test, turnover test and compliance test, and are explained below.

Business test

To pass this test your business:

- must be able to show us that it is carrying out construction work in the UK or providing labour for such work
- is run through a bank account

Turnover test

This test is based on 'net turnover'. This is your gross income from construction work excluding VAT and the cost of materials.

To pass, you need to demonstrate that your business had a net construction turnover of at least £30,000 in the 12 months before applying for gross payment.

If your net turnover is not enough to pass the test but your total turnover from all sources in the 12 months up to the application is more than the threshold, you may still be able to pass the test. More information can be found on pages 3 and 4.



Contacts

CIS Helpline

Phone 0300 200 3210

CIS Orderline

Phone 0300 200 3210

Internet

www.gov.uk/cis

This booklet is available in large print. If you would like a copy please contact HM Revenue and Customs.

Yr Iaith Gymraeg/Welsh language. Ffoniwch 0300 200 1900 i dderbyn fersiynau Cymraeg o ffurflenni a chanllawiau.

Compliance test

To pass the compliance test, during the 12 months up to the date of the application for gross payment, you should have:

- completed and returned by the due date any Self Assessment Returns due
- if you are a contractor in the construction industry, completed and returned by the due dates any monthly returns due and paid by the due dates any CIS deductions
- if you are VAT registered, completed and returned by the due dates any VAT returns due and paid by the due dates any VAT liabilities due
- if you are an employer, paid by the due dates any PAYE tax and National Insurance contributions (NICs) due
- paid by the due date your own National Insurance contributions (NICs)
- supplied any information to do with your tax that we have asked for

When considering whether you have passed the compliance test we will disregard, during the same 12 month period:

- 3 late submissions of the contractor's monthly return - up to 28 days late
- 3 late submissions of VAT returns - up to 28 days late
- 3 late payments of PAYE/VAT/CIS deductions of £100 or more - up to 14 days late (allowed for each tax individually)
- any late payment of PAYE/VAT/CIS deductions where the amount is under £100
- any Self Assessment Return made - up to 28 days late

If your application to be paid gross is unsuccessful, your construction industry payments will be paid under deduction on account of your eventual tax and National Insurance contributions bill. We will write to you giving the actual reasons subject to confidentiality rules why you have been unsuccessful along with instructions on how you can appeal.

Filling in the registration form

Help and guidance

These guidance notes will help you fill in your registration form. 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.

6 Unique tax reference (UTR)

Enter the reference number you have been given for self-assessment purposes at the time you registered for self-employment. You will also find this in your personal tax account or on previous tax returns and other documents from HMRC. If you do not have a UTR, go to www.gov.uk/become-sole-trader/register-sole-trader

7 National Insurance number, if you have one

You can find your National Insurance number:

- on a document you already have, for example a P60, payslip or letters about benefits
- in your personal tax account
- in the HMRC app
- in your Apple or Google Wallet app (if you've previously saved it there)

You can also use your personal tax account or HMRC app to download a letter that shows your National Insurance number.

If you do not have a National Insurance number, go to www.gov.uk/apply-national-insurance-number

10 Enter the date you started working in the construction industry

This information forms part of the business test for gross payment and we may ask you to provide evidence to support this date.

Turnover test

17 If your net construction turnover in the last 12 months equals or exceeds £30,000, please fill in the boxes.

A. Gross amount of payments (not including VAT)

To work this out add up all the income you have had from construction work including the cost of materials you have supplied in the period.

Do not include any VAT.

Construction income includes any money from any client for building and construction work, for example:

- installation
- repairs
- plumbing
- electrical work
- painting and decorating
- demolition

B. Cost of materials (not including VAT)

To work this out add up all the amounts you have spent on materials you have used in the period. Do not include any VAT.

'Materials' means the cost (not including VAT) of:

- land, building materials and consumables
- fuel or plant
- the actual amount you have spent on plant hire
- any amount in respect of Construction Industry Training Board levy

Do not include:

- travelling expenses
- fuel for travelling
- cost of scaffolding purchased if your business is a scaffolding subcontractor

C. Net construction turnover (A minus B)

Enter details as required.

Example	
Gross amount of payment (not including VAT)	£ 37,000.00
Less cost of materials (not including VAT)	£ 5,000.00
Net construction turnover	£ 32,000.00

As part of the turnover test you must be able to provide evidence to show how you arrived at the figures used in the test. The evidence must show that you have had a net construction turnover of at least £30,000 in the period of application.

If your business does not mainly consist of construction operations and your net construction turnover does not equal or exceed £30,000 but your total business turnover from all sources in the 12 months up to the date of application is more than the threshold you can still apply for gross payment.

Enter details of your gross turnover together with the amount of construction turnover on a separate sheet of paper. You will also need to tell us the names and addresses of the contractors you have worked for, the value of each contract and date that contract was agreed.

Evidence must show for the period you have used:

- dates payments received
- gross amount of all payments received within the Construction Industry Scheme
- gross payments less VAT for any private work
- cost of materials (less VAT) used

There are penalties for false applications. If you give false information you will not be granted gross payment status and you could be charged a penalty of up to £3,000.

Employment details

As part of your application we will need to know full details of your employment circumstances for the previous 12 months.

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Have you been fully employed or self-employed for the previous 12 months?

If you do not answer this question, you may be refused gross payment.

If you put an 'X' in the 'No' box you will need to tell us the reason why you have not been employed or self-employed and the dates involved.

For example you may have been unemployed, in full-time education, working abroad or there may be other reasons.

We may ask you to provide documentary evidence of your employment circumstances for the previous 12 months.

If you attend a meeting with a Mobile Adviser to present proof of your identity you will also need to provide the following:

- evidence of your employment details in the last 12 months
- bank account documentation to satisfy the business test
- turnover test documentary evidence, for example paid invoices, CIS deduction statements, accounts details
- if you are or have been resident abroad in the last 12 months, evidence to show you have met the tax obligations of your country of residence

Privacy and Data Protection

How we use your information

HM Revenue and Customs is a Data Controller under the Data Protection Act 2018. 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 and Customs unless the law permits us to do so.

For more information, go to www.gov.uk and search for 'HMRC Personal information charter'.