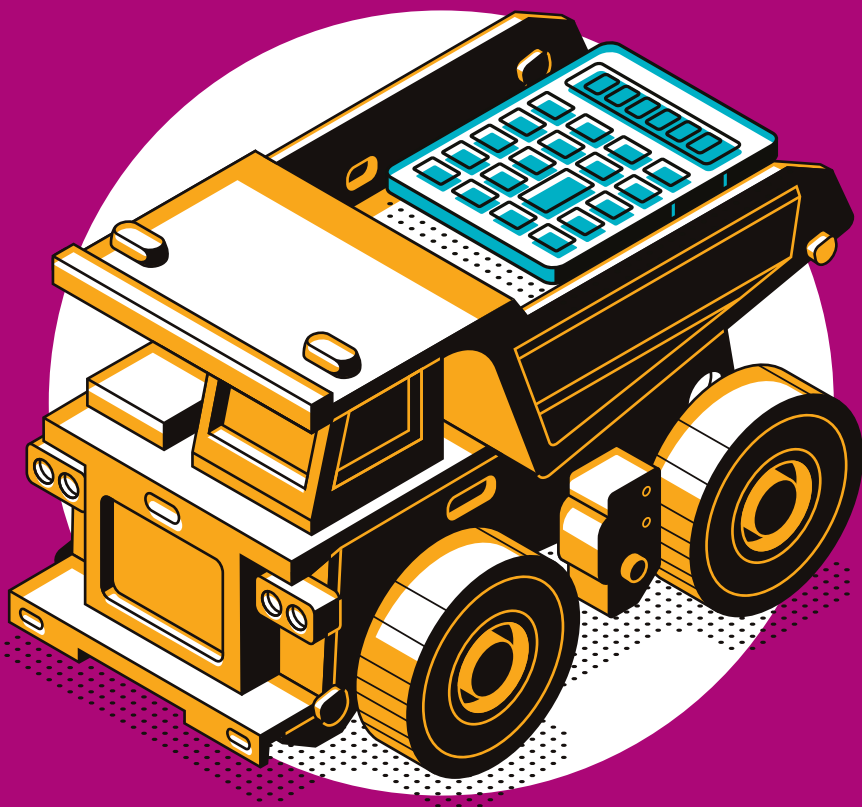


# 2023 LEVY RETURN

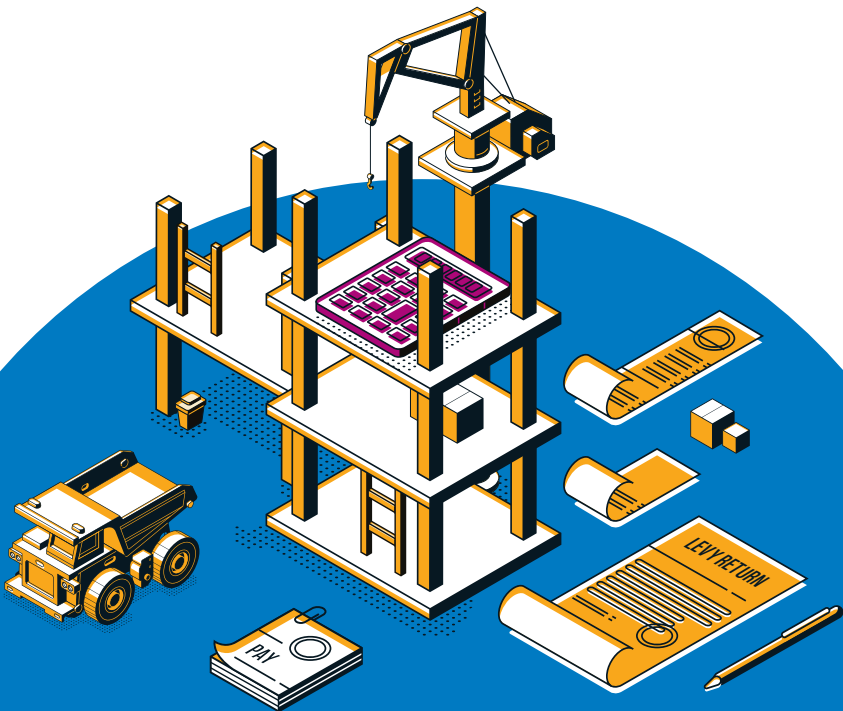
## HOW TO CALCULATE YOUR WAGE BILL



The CITB Levy is based on your total wage bill for the year and includes individuals on the payroll and Construction Industry Scheme (CIS) sub-contractors who you make a CIS deduction from.

To determine your total wage bill for the 2023 Levy Return, you will need the following:

- payroll records for the 2022 to 2023 tax year
- monthly HMRC CIS300 or CIS online returns for the 2022 to 2023 tax year
- purchase ledger for the 2022 to 2023 tax year.



# Payments to employees, including paid directors (SECTION 2)

**BOX A** - total gross taxable payments made to all employees on the payroll, including paid directors, before deductions from 6 April 2022 to 5 April 2023.

This figure is the total amount for the year on your payroll records that you will have submitted to HMRC.

## **This should include:**

- All PAYE payments to staff including working directors, administrative and clerical staff as well as any leavers.

## **Do not include:**

- Pensions
- Sole trader and partner drawings
- Employer's National Insurance Contributions (NICs)
- Dividends
- Payments to self-employed workers, sub-contractors or agency staff.

If you made no payments to employees please enter '0' in **box A** and enter a reason for nil payroll into the space provided.

If you are a limited company, a director engaged in day-to-day activities is an 'employee' of your company and must be included in **box A**. If the director(s) are not paid, be sure to tell us within your nil payroll reason why they have not taken a wage through PAYE – e.g. directors take dividends only or directors have income from another source.

**BOX B** - Average number of employees on the payroll.

This should include:

- All staff included in **box A**. Part-time employees should be counted as appropriate fractions of full-time employees.



## Before returning your Levy Return to us, please check that you have:

- ✓ Written amounts in whole pounds only, ignoring pence
- ✓ Entered '0' where value is nil
- ✓ Included your directors' wages in box A if your business is a limited company
- ✓ Provided a reason if you have declared nil payroll in box A
- ✓ Completed box F if you deducted tax at 30% from some or all sub-contractors paid through CIS.





# Construction Industry Scheme (CIS) payments (SECTION 3)

**BOX C** - Total tax deducted from sub-contractors paid through CIS from 6 April 2022 to 5 April 2023.

This figure can be calculated by adding together 'total tax deducted' from each of the CIS300/online contractor monthly returns.

**BOX D** - Total of all payments (before deductions) to all sub-contractors paid through CIS from 6 April 2022 to 5 April 2023.

This figure can be calculated by adding together 'total payments made (does not include VAT)' from each of the CIS300/online contractor monthly returns.

## Monthly Return - Print

### Monthly Return for period ended

5th May 2022

This monthly return was submitted on 12/05/2022

Your IRmark is:

Number of subcontractors: 4

Name	Verification number	Total payments made (does not include VAT)	Cost of materials (paid for by subcontractor)	Total tax deducted
123 Building Services Ltd	VL1545532	1,000.00	0.00	200.00
456 Electricals Ltd	VL1545533	5,000.00	0.00	0.00
Cat Tooth Roofing Ltd	VL1545533	3,500.00	2,000.00	0.00
Steve Taylor	VL1545554	1,600.00	600.00	300.00
<b>Totals</b>		<b>11,100.00</b>	<b>2,600.00</b>	<b>500.00</b>

↓  
**Box D**

↓  
**Box C**

If you have made no payments through the Construction Industry Scheme (CIS) Please enter '0' in **boxes C** and **D** and proceed directly to next section.

## Have you deducted tax at 30% from some or all sub-contractors paid through CIS?

'No' proceed directly to next section.

'Yes' you should complete **box F**, entering your payments to taxable sub-contractors less materials.

### Why is Box F important?

The Levy calculation applied to box C assumes that all sub-contractors were taxed at 20%. If some or all of your sub-contractors were taxed at 30% and you do not complete box F then your Levy Assessment will be higher than it should be.

## Calculating **BOX F**, your payments to taxable sub-contractors less materials.

To calculate this figure, first find the lines on your CIS300/online contractor monthly returns where tax was deducted, this is where 'total tax deducted' is not zero, as shown in example below.

#### Monthly Return - Print

Monthly Return for period ended  
5th May 2022

This monthly return was submitted on 12/05/2022

Your IRmark is:

Number of subcontractors: 4

Name	Verification number	Total payments made (does not include VAT)	Cost of materials (paid for by subcontractor)	Total tax deducted
123 Building Services Ltd	VI15465532	1,000.00	0.00	200.00
456 Electricals Ltd	VI15465539	5,000.00	0.00	0.00
Cat Tenth Roofing Ltd	VI15465533	3,500.00	2,000.00	0.00
Steve Taylor	VI15465554	1,600.00	600.00	300.00
<b>Totals</b>		<b>11,100.00</b>	<b>2,600.00</b>	<b>500.00</b>

- ← ✓ Tax deducted with no material cost - Include in box F
- ← ✗ Tax not deducted - Do not include in box F
- ← ✗ Tax not deducted - Do not include in box F
- ← ✓ Tax deducted with material cost - Include in box F

Now add together the 'total payments made (does not include VAT)' from these lines and subtract the 'cost of materials (paid for by each sub-contractor)' from these lines.

**Total payments made (does not include VAT)**  
£1,000 + £1,600 = £2,600

+

**Cost of materials (paid for by sub-contractor)**  
£600

=

**Box F**  
£2,000