

## Tax Conditionality - Taxi Drivers, Private Hire Drivers, and Private Hire Operators

**Please be aware that as from 4 April 2022 if you do not comply with your Tax Conditionality obligations the licensing authority will not be able to renew your licence.**

If your driver's badge/licence is due for renewal after 4 April 2022 you must have carried out a tax check. Please ensure that your renewal applications include the Tax Check code required.

We will not be able to consider your hackney or private hire driver or operator renewals if you do not carry out a tax check and you won't get your licence renewed.

Many drivers and operators will be renewing their licences this year and we do not want to be put in a position where we refuse your applications because you have not carried out your tax check, so please make sure you do this. Our application forms will be amended to include the Tax Conditionality obligations with a space to enter the tax code.

The Finance Act 2021 schedule 33 specifically states that the licensing authority may not consider the application unless it has—

(a) requested confirmation from HMRC that the applicant has, within the required period, completed a tax check in relation to the authorised activity in question, and

(b) obtained that confirmation from HMRC.

### **Please read on for further information**

The government is putting in place new tax requirements for applications to certain licences from 4 April 2022.

[New checks on license renewals for taxis and private hire vehicles - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/new-checks-on-license-renewals-for-taxis-and-private-hire-vehicles)

[Complete a tax check for a taxi, private hire or scrap metal licence - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/complete-a-tax-check-for-a-taxi-private-hire-or-scrap-metal-licence)

This is supported by a new digital service, being developed by HMRC. It helps people in the taxi, private hire and scrap metal industries to complete a new tax check.

Most people are registered to pay tax and this is about ensuring everyone pays the tax they should, creating a level playing field for the compliant majority. HMRC are working with industry bodies to make this as straightforward as possible. The check should take a few minutes every few years and is simply to confirm that someone is appropriately registered for tax.

Please refer to the guidance [Changes for taxi, private hire or scrap metal licence applications from April 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/changes-for-taxi-private-hire-or-scrap-metal-licence-applications-from-april-2022), this is copied below for your information, so you understand what is required as this will apply to all renewals and new applicants.

### **What's changing**

From 4 April 2022, there will be a small addition to the checks licensing bodies already have in place. You'll need to complete a tax check with HM Revenue and Customs (HMRC) when you renew your licence to:

- drive taxis or private hire vehicles
- operate private hire vehicle businesses
- deal in scrap metal

The changes will only apply in England and Wales.

### **How changes may affect you**

What you need to do will depend on whether you're applying for a licence for the first time or whether you're making a subsequent application, such as renewing a licence.

### **Getting a new licence**

If you are applying for a licence for the first time, you will not need to complete the tax check. However, licensing bodies will ask you to read HMRC guidance on what you need to do to be properly registered for tax in the future and you'll need to confirm you have done this.

### **Renewing a licence**

From 4 April 2022, if you renew or apply for a subsequent licence under a different licensing body, you'll have to do a tax check. You'll be able to do this online through a digital service.

### **About the tax check**

You will be able to complete this tax check on GOV.UK, through your Government Gateway account. You will only need to answer a few questions to tell HMRC how you pay any tax that may be due on income you earn from your licensed trade. If you do not already have a Government Gateway account, you can sign up on GOV.UK.

The tax check should only take a few minutes. There'll be guidance on GOV.UK and anyone who needs extra support will be able to complete the tax check by phone through HMRC's customer helpline.

When you've completed the tax check, you'll get a code. You must give this code to your licensing body. The licensing body cannot proceed with your licence application or renewal until the tax check is completed and they've received the code.

Your licensing body will only receive confirmation from HMRC that you've completed the tax check, they will not have access to information about your tax affairs.

### **What you need to do**

If you've not registered to pay tax on earnings from your licensed trade, please go to GOV.UK to check if you need to register as soon as possible:

- if you're an employee, find information on Pay As You Earn (PAYE): [www.gov.uk/income-tax/how-you-pay-income-tax](http://www.gov.uk/income-tax/how-you-pay-income-tax)
- if you're self-employed, find information on registering for Self Assessment: [www.gov.uk/register-for-self-assessment](http://www.gov.uk/register-for-self-assessment)
- if you operate through a company, find information on Corporation Tax: [www.gov.uk/corporation-tax](http://www.gov.uk/corporation-tax)

If you should have been registered to pay tax and have not been, HMRC will work with you promptly and professionally to get you back on the right track. It's your responsibility to get your tax right, but HMRC is here to help.

You can get help from HMRC if you need extra support, for example if you need information in a different format or need help filling in forms. Visit GOV.UK and search 'Get help from HMRC if you need extra support'.