



# Global Tax Update

United Kingdom

Deloitte Tohmatsu Tax Co.

June 2015

## 1. Budget announced for 8 July 2015

The Chancellor has announced that there will be a Budget on Wednesday 8 July 2015. Deloitte shall be preparing our usual Bulletins, podcasts and other commentary.

engage temporary staff and those who use temporary staff and are unable to recover VAT in full. We anticipate that the First-tier Tribunal will deliver its decision in the late summer or autumn of 2015.

## 2. Scotland Bill published

The Scotland Bill 2015 was introduced to Parliament on 28 May 2015. The Bill will inter alia give the Scottish Parliament the power to set income tax rates and thresholds for the earned income of Scottish residents. The date for the power to pass to Scotland will be set by Treasury Order; the earliest likely date is April 2017.

## 3. The First-tier Tribunal hearing in 'VAT on temporary staff' case

The First-tier Tribunal has been hearing Adecco's 'temporary staff' appeal. This challenges HMRC's decision that output VAT was due from Adecco on the full amount collected from its clients in relation to temporary workers including the wages paid to temporary staff. Adecco's view is that output VAT is chargeable only on commission charged by Adecco for its introductory and ancillary services, including payroll services, and not on the wage related payments – a view supported by the decision of the First-tier Tribunal in the Reed Employment case in 2011. The outcome of the case is likely to have implications for all those who supply or

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