ALLENS**ACCOUNTS**

Exemption for Reimbursed Home Office Equipment

The Government has today introduced an exemption which means employers will not have to pay tax or NI where they **reimburse employees for home office equipment they have purchased to work from home** during the COVID-19 crisis.

To qualify for the exemption:

1. the office/computer equipment must have been purchased for the '*sole purpose of enabling the employee to work from home as a result of coronavirus*'; and
2. the provision of such equipment would have been tax exempt if it had been provided directly to the employee – this rule requires that any private use is '*not significant'.*

This applies from 16 March 2020 to 5 April 2021.

Other available reimbursements:

- An employer can pay an employee a **tax-free 'home working allowance' of £6 per week** (was £4 per week up to 5 April 2020) for additional household expenses incurred whilst working from home.
- A higher payment can be made but for it to be tax-free you would need detailed evidence to prove the costs of the **additional** electricity, heating

and water etc were more than £6 per week. As a result this is not common.

- If a broadband internet connection is necessary to work from home and one was <u>not previously available</u>, the broadband fee can also be reimbursed tax-free to the employee. If the employee already has broadband installed for private use any reimbursement would be taxable.

https://www.gov.uk/guidance/check-which-expenses-are-taxable-if-your-employee-works-from-home-due-to-coronavirus-covid-19

Vat Option to Tax Deadline Extended

HMRC have announced that they are extending the deadline for notifying them about an option to tax on land and buildings to 90 days due to the coronavirus pandemic.

When a taxpayer makes an option to tax on land and buildings for VAT purposes they must usually notify HMRC of this decision within 30 days. The extension to the time limit applies to decisions made between 15 February and 31 May 2020.

HMRC are asking for option to tax notifications to be emailed to them at optiontotaxnationalunit@hmrc.gov.uk

Bounce Back Loans

We understand that some banks are continuing to have 'teething problems' with the application process, in particular Barclays. Fortunately most of our clients who have applied are reporting that the process is straightforward and they are being approved without having to answer too many questions.

If, for whatever reason, you are rejected by your own bank, there are a few providers who will accept applications from people who don't currently bank with them. As of today we understand this includes Barclays, HSBC, Natwest, RBS and Starling. However to proceed you will need to open a business account.

Scams

Since the opening of the SEISS portal there seems to have been a spike in scam e-mails, calls and texts. **PLEASE DO NOT CLICK ON A LINK IN AN E-MAIL, OR REPLY TO A TEXT, PURPORTING TO BE FROM HMRC.** The genuine e-mails and texts from HMRC do not include an active link to click on; they only tell the taxpayer to be ready to claim. Any suspicious e-mails claiming to be from HMRC should be reported to HMRC by sending them to phishing@hmrc.gov.uk Texts should be sent to 60599.

Website

Please note that a new Allens website format has been uploaded today and that the coronavirus briefings have been moved to a specific page on there. This is to retain the information as clearly as possible for the future as we refer back. We trust it will be helpful as ever but please do contact us immediately if you are experiencing any problems at all.

The Allens Team