

Withdrawal of staff hire concession

In Revenue & Customs Brief 08/09 and VAT Information Sheet 03/09, HMRC sets out its views on the implications of the withdrawal of the staff hire concession. From 1 April 2009, employment businesses supplying staff as principal must charge VAT on the full amount received from their customers - including the element representing the wages payable to the worker. In addition to the compliance implications for employment businesses, users of temporary workers who cannot recover input VAT in full may face significant additional VAT costs. Affected businesses should take advice on the implications of this change as a matter of urgency.

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