

NATIONAL TRAINERS FEDERATION

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GUIDELINES ON EMPLOYEES CLOTHING ALLOWANCES

The NTF and its tax advisors PriceWaterhouseCoopers, have been exploring with the Inland Revenue, the possibility of agreeing a standard tax deduction which stable staff could claim to cover the costs of special clothing such as wet weather protection, boots, jodhpurs, etc.

The Inland Revenue Head Office view is that tax districts should resist agreeing to a standard tax deduction but instead ask stable staff to claim for specific items of expenditure supported by receipts. The Inland Revenue's suggestion has both its good and bad points.

- The downside is that stable staff will, in future, have to keep receipts of expenditure and must submit claims at the end of the year. Under the new Self Assessment tax regime, receipts must be kept for a minimum of 22 months after the end of the tax year of claim. So, for the year to 5 April 2001, the receipts would have to be kept until 5 February 2003. Penalties can be levied if these records are not kept.
- The advantage of the decision is that there is in theory no limit to the amount that could be claimed; but expenditure would have to be justified as being in respect of special clothing worn wholly, exclusively and necessarily for the purposes of the job.

PriceWaterhouseCoopers have prepared a proforma expense claim (see next page) listing the more common items of clothing and equipment for which an allowance might be claimed. Making a claim does not guarantee that a tax deduction will be given.

Stable Staff – Expense Claim

H M Inspector of Taxes

Note 1

Your Reference: [

] Note 2

My National Insurance Number [

] If known

Dear Sir

Claim for a tax deduction in respect of expenses incurred out of my earnings for the year ended 5 April [] Note 3

In the above year, I spent the following sums wholly, exclusively and necessarily in the performance of the duties of my employment. I was not reimbursed the cost of any of those items by my employer.

Items	Amount Spent (inc VAT)
Skull cap(s)
Jodhpurs
Riding Boots
Gum boots
Protective footwear
Wet weather clothing
Jacket
Coat
Trousers
Travel expenses (not home to work) met by me and not reimbursed by my employer - Note 4
Other equipment (specify)
Total (inc VAT)	£.....

I confirm that I have kept receipts for all of the expenses claimed above. I understand that I must keep these receipts for your inspection, should you ask to see them, for a period of 22 months following the year of claim.

.....
Signature

Print Name

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