



Email cgcistaxdeductions
@hmrc.gov.uk

Web www.gov.uk

Date

Our Ref IDCIS24

Dear Sir or Madam

Make sure you're making the right CIS deductions from subcontractors' payments

We're writing to help you with your monthly Construction Industry Scheme (CIS) returns.

Our records show that some contractors have made incorrect CIS tax deductions. It is important you get these right. If you don't, you may have to pay the tax yourself.

What you need to do by [\[45 days from date of receipt\]](#)

We need you to verify your subcontractors' CIS status. You can do this by using (either):

- our free CIS online service – go to GOV.UK and search 'sign in to CIS'
- commercial software – if you need to verify more than 50 subcontractors, you must use this option

If you use our free online service, we'll tell you:

- if your subcontractor registered for CIS
- if you can pay them without making CIS deductions
- the right rate for any CIS deductions

You must:

- verify all new subcontractors before you pay them
- verify subcontractors you've used before if you haven't included them on a CIS return in the current or last 2 tax years
- make sure you apply the correct CIS deductions

We recommend you regularly verify the CIS status of all your subcontractors.

If you need extra support, for example if you have a disability, a mental health condition, or do not speak English/Welsh, go to www.gov.uk and search for 'get help from HMRC'.
Text Relay service prefix number – 18001

If you don't take any action

We may start a compliance check. If we do this, we'll write to you. If we start a compliance check and find errors in your CIS returns, we'll treat any disclosure you make as prompted. This may affect any penalties you have to pay.

For more information, go to GOV.UK and search 'HMRC compliance checks factsheets', then choose 'Penalties'.

More information

You can find more details online. To do this, go to GOV.UK and search:

- 'Construction Industry Scheme'
- 'CIS 340' and read 'Construction Industry Scheme: a guide for contractors and subcontractors'

If you need extra support

If you have any health or personal circumstances that may make it difficult for you to deal with us, please tell us. We'll help you in whatever way we can. For more information, go to GOV.UK and search 'get help from HMRC if you need extra support'.

If you have any enquiries, please email us at ccgcistaxdeductions@hmrc.gov.uk

Yours faithfully

HM Revenue and Customs