

The Robin Williamson Grant – 2023

The Robin Williamson Grant Fund has been set up thanks to a generous donation to the Chartered Institute of Taxation (CIOT) in recognition of the late Robin Williamson's long service in supporting those on low incomes, who could not afford to pay for advice, with tax and related welfare problems.

The purpose of the grant is to further shine a light on a particular area of taxation (or benefits where there is a tax linkage) which particularly affects those on low incomes, and which needs the attention of policy makers within Government or administrators within HMRC (or DWP). The grant will be administered by the Low Incomes Tax Reform Group team and the work undertaken through the grant will contribute towards LITRG's mission: <https://www.litrg.org.uk/about-us>

This year, a grant of £2,000 will be offered to fund research in relation to tax and the gig economy. The background and scope of the research project is set out below. **Application deadline is 5pm Friday 11th August 2023.**

We would expect the research to be carried out and presented to us by the end of November 2023 at the latest.

Applications for 2023 grant

We welcome applications from anyone with a strong interest in UK tax (for example a student who is studying tax or a related subject) or experience of working in tax and a motivation to help those unable to pay for advice. The successful applicant must have an excellent level of written English.

You will need to have a laptop and internet connection to carry out the research. It is not expected that you would need to attend the CIOT offices in London to use the facilities there, however this can be discussed.

How to apply

If you are interested in applying for the grant please email us your CV and a covering letter setting out:

- Why you are interested in applying
- What skills you have that are relevant to the research project proposed

We will shortlist the applications and arrange a Teams chat to discuss the project further and answer any questions applicants may have.

Email your CV and covering letter to: litrg@ciot.org.uk by 5pm on Friday 11th August 2023.

Payment of the grant

A grant of £2,000 will be given to the successful individual upon completion of the final written report and presentation.

The grant is intended to cover all costs and time to deliver the research brief set out below. There will be a short presentation at the end, via teams, to allow you to summarise and briefly discuss the key findings. It is up to the individual when, where and how they conduct the research as long as the

final written report covers the points outlined in the brief below. However, it is expected that the individual will devote such time, attention and skill to the research as may reasonably be required to bring about a successful outcome covering the points in the detailed brief below.

This arrangement does not create an employment relationship of employer and employee or worker between the parties and the individual shall be responsible for his/her own taxation and any liability arising from receipt of the grant.

About CIOT and LITRG

The LITRG is an initiative of the Chartered Institute of Taxation (CIOT) to give a voice to the unrepresented. Since 1998, LITRG has been working to improve the policy and processes of the tax, tax credits and associated welfare systems for the benefit of those on low incomes.

The CIOT is the leading professional body in the United Kingdom concerned solely with taxation. The CIOT is an educational charity, promoting education and study of the administration and practice of taxation. One of our key aims is to work for a better, more efficient, tax system for all affected by it – taxpayers, their advisers and the authorities. The CIOT's work covers all aspects of taxation, including direct and indirect taxes and duties. The CIOT's 19,000 members have the practising title of 'Chartered Tax Adviser' and the designatory letters 'CTA', to represent the leading tax qualification.

Robin Williamson

Robin Williamson MBE, CTA (Fellow) was an early LITRG volunteer and LITRG's Technical Director from 2003 to 2018. After retiring as Technical Director, Robin, along with his wife Jane, continued as an active LITRG volunteer. Robin sadly died in September 2022.

Before working for LITRG, Robin trained as a solicitor and worked as Senior Technical Editor for tax publishers CCH. He wrote and lectured extensively on personal tax matters and took a keen interest in the interaction of tax with the welfare benefits system. Robin enjoyed his retirement from full-time work after stepping down as LITRG Technical Director but he did not retire from tax and subsequently he worked as a senior policy adviser for the Office of Tax Simplification as well as writing a book about taxpayer safeguards for Claritax Books.

Robin was awarded an MBE in 2015 in recognition of his work for low-income taxpayers. In 2020 he was presented with the Lifetime Achievement award as the Tolley's Taxation Awards.

Robin took great pride in his work for LITRG and the success of the group as a whole and was passionate about making the tax system work better for those on the lowest incomes. Robin himself successfully secured many such changes in his time at LITRG and the grant will fund work that will support LITRG's continued work.

Gig economy research project

Background

There is no single definition of the gig economy, but it generally refers to the buying and selling of labour via digital platforms. In 2018, a BEIS report suggested a working definition:

‘The gig economy involves the exchange of labour for money between individuals or companies via digital platforms that actively facilitate matching between providers and customers, on a short-term and payment by task basis’. Some examples of gig economy work are things like Peopleperhour, Deliveroo, Uber and Taskrabbit.

In 2018, 2.8 million people had worked in the gig economy in the previous 12 months, 56% of those people were aged 18 to 34. A recent study showed the average hourly wage is only £8.97 – 15% below the minimum wage.

In addition, there are many other new opportunities to make money online such as by publishing videos on Patreon or through payments via the Tiktok creators fund. There has been a rise in social media influencers. Some people make/sell things through platforms like Ebay and Etsy, some of which might come under the definition of the gig economy.

Problem

We understand that there is widespread non-compliance among gig economy workers. This is from an income tax and NIC perspective but also potentially VAT (as some gig workers seem to voluntarily register for VAT) and corporation tax (if they are trading as a Ltd company).

There appears to have been little oversight to date, however in 2025 the OECD platform reporting rules will begin meaning that a lot of the non-compliance could surface:

<https://www.gov.uk/government/consultations/reporting-rules-for-digital-platforms>

Contributing factors

- Under current tax rules, most gig workers are treated as self-employed but many do not recognise themselves as ‘in business’ which can make it challenging to identify and understand their tax obligations.
- Some gig work will generate miscellaneous income rather than self-employed income and trigger different obligations, however this concept is not well understood.
- The platforms do not provide much tax guidance, if any. This could be due to fear of it being seen as too paternalistic and impacting the employment status of workers. There is little tailored guidance on GOV.UK - most guidance for the self-employed seems to assume they are running a traditional business.
- The Self Assessment system is complex at the best of times, but is likely more so for much of the demographic concerned – e.g., migrant workers some of whom may not have English as their first language
- It is not clear if there is much of a traditional tax agent community serving this population – there are many ‘apps’ to help people manage their taxes, but these tend to be run by Fintech companies not tax focused companies.
- There is confusion as to how the Trading Allowance works when taking into account quirks in the way gig workers are paid, e.g., direct from customer, via platform after deduction of fees, in kind etc.

LITRG workstreams in the gig economy

There are a number of broad areas where we already know we could usefully contribute:

- Improving and expanding our guidance: <https://www.litrg.org.uk/resources/guides-factsheets-and-checklists/tax-if-you-work-gig-economy>
- Campaigning for policy changes, for example, in the past, we have mooted a withholding at source mechanism for the gig economy
- Helping HMRC to shape their approach to implementing the OECD rules

We would like to start fleshing out some potential actions in these three areas and also identify any other potential areas to pick up.

Objectives of this research project:

- To provide a bank of reference materials for LITRG team to draw on about the gig economy to give us a clearer understanding of those involved and to support submissions/briefings and consultation responses
- To identify what guidance is needed for gig workers about their tax obligations to allow LITRG to design and populate a new, comprehensive gig economy section
- To identify what tax information is already provided and by whom (for example the platforms) – along with assessing the accuracy of that material. This will allow us to build relationships with other stakeholders and to encourage links to the LITRG guidance
- To help the LITRG team identify any policy issues in this space that we need/want to take forward
- To help the LITRG team identify any recommendations that we can make to HMRC on improvements they could make to better serve gig workers either through process changes or changes to guidance

The research

We would like the research to cover the following points:

- Identify recent reports and studies about the gig economy and the workforce – provide summaries of key points, statistics etc., and where we can go to get up to date data in the future
- Find and log any tax-related mainstream or tier 2 content on GOV.UK that is written for this population
- Compile a list of all of the various platforms in the gig economy (taking a wide view of the platforms in scope) and research (as far as possible):
 - How payments are made – frequency, method, whether the funds can be retained to use with the platform etc.
 - What fees are charged and how
 - What tax information/guidance is provided to sellers by the platform (if any). Is tax mentioned in the onboarding process? Are they sent income statements each month? Is the guidance technically accurate?

- Are there any obvious specific tax related issues with each of the platforms and operating structures?
- Review forums where workers pose questions, for example Reddit, HMRC community forums, Money Saving Expert, Mumsnet, analyse the questions (and answers) and produce a list of key 'problem' areas that our guidance needs to cover and identify any pinch points that we need to explain further. For example, we have seen confusion over the deductibility of mileage expenses v actual costs for moped drivers.
- Finally, make any other observations about the sector that may be useful for our work.