



HM Revenue
& Customs

New tax checks on licence applications

What is the tax check?

- A simple check to confirm that someone was appropriately registered for tax when they should have been.
- Applies when licences are renewed.
- The licensing authority will need to obtain confirmation from HMRC that applicants have completed a tax check.
- HMRC is currently building and testing a digital service to enable applicants to do their tax check and licensing authorities to obtain confirmation that the check has been done
- In the next few slides, we'll walk through a typical tax check for a driver who uses Self Assessment to tell HMRC about their income





HM Revenue
& Customs

Tax check

Applicant Self Assessment Journey
September 2021



Step 1

Information about the licence you are applying for

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What type of licence are you applying for?


- Driver of taxis and private hires
Includes hackney carriage and dual licences.
- Operator of private hire vehicles
- Scrap metal mobile collector
- Scrap metal dealer site

[Find out what to do if you cannot see your licence type](#)

Continue

Step 1

Information about the licence you are applying for (continued)

 **Do a tax check when renewing or applying for a licence**

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How many years ago did you first get a licence for this activity?

This is the licence type you are doing a tax check for. You may need to give an estimate for this question.

- 0 to 2 years
- Between 2 and 4 years
- Between 4 and 8 years
- 8 years or more

[Continue](#)



 **Do a tax check when renewing or applying for a licence**

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How long was your most recent licence valid for?

This is the licence you're doing a tax check for.

- Up to 1 year
- Up to 2 years
- Up to 3 years
- Up to 4 years
- Up to 5 years
- More than 5 years

[Continue](#)

Step 2

Your tax information (self assessment example)

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What was your tax status for any licensed work done between 6 April 2019 and 5 April 2020?

This is using licences of the type you are now doing a tax check for.

- An employee
- Registered for Self Assessment
- Registered for Self Assessment and an employee
- I did not need to tell HMRC about any income

For example, you may have held a licence but have not used the licence to generate income.

[Find out who needs to register for Self Assessment \(open in new window\)](#)

Continue

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Did you include income you earned using this type of licence in your tax return?

This is your Self Assessment tax return for tax year 6 April 2019 to 5 April 2020.

- Yes
- No

Confirm



Step 3

Check your answers & declaration

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Check your answers

Make sure your answers are correct. We will use these details to do a tax check.

What type of licence are you applying for?	Driver of taxis and private hires	Change
How many years ago did you first get a licence for this activity?	8 years or more	Change
How long was your most recent licence valid for?	Up to 3 years	Change
What was your tax status for work carried out using this type of licence?	Registered for Self Assessment	Change
Did you include income you earned using this type of licence in your tax return?	Yes	Change

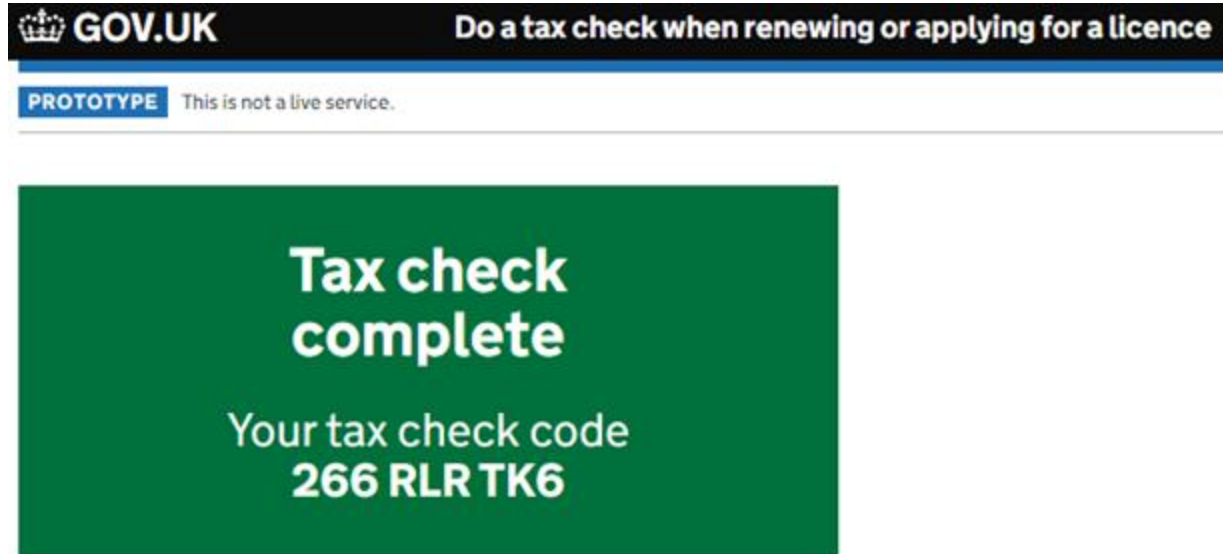
Declaration

By continuing you are confirming that, to the best of your knowledge, the details you are providing are correct.

[Confirm](#)

Step 4

Your tax check code



The screenshot shows the GOV.UK website header with the text "Do a tax check when renewing or applying for a licence". Below the header is a blue bar with the text "PROTOTYPE This is not a live service." A large green box in the center contains the text "Tax check complete" and "Your tax check code 266 RLR TK6".

Your tax check code is valid for 120 days.

The last day it is valid is: **10 December 2021**.

What you need to do next

1. Make a note of your tax check code. You can [print or save this page as a PDF](#).
2. Enter your tax check code in your licence application. Make sure you leave enough time for your application to be processed before your tax check code expires.

[What did you think of this service?](#) (takes 30 seconds)

Who needs to do a tax check?

- The tax checks apply to licence applications for:
 - drivers of taxis and private hire vehicles
 - private hire operators
 - scrap metal sites
 - scrap metal collectors
- If you make an application in England and Wales on or after 4 April 2022 you'll need to complete a tax check if you're:
 - renewing a licence
 - applying for the same type of licence you previously held, that ceased being valid less than a year ago
 - applying for the same type of licence you already hold with another licensing authority
- Individuals, companies and partnerships will need to complete a tax check as part of the licence application process.

Support to complete a tax check

- The tax check is intended to be quick and simple to complete.
- Applicants will need to complete the tax check themselves and won't be able to ask a tax agent or adviser to do it on their behalf.
- The service will be accessed through GOV.UK
- HMRC telephone support will be available for applicants who are unable to complete the tax check online.



HM Revenue
& Customs

Licensing Authority Confirm a tax check

September 2021



Licensing Body – confirming a tax check

Input applicant supplied information

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What is the applicant's tax check code?

It is 9 characters, for example '266 RLR TK6'.

[Find out how applicants can get a tax check code \(opens in new tab\)](#)

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What type of licence is being applied for?

- Driver of taxis and private hires
Includes hackney carriage and dual licences.
- Operator of private hire vehicles
- Scrap metal mobile collector
- Scrap metal dealer site

Continue

Licensing Body – confirming a tax check

Input applicant supplied information



Confirm an applicant has done a tax check

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Is the applicant an individual or a company?

Individual

Company

Continue



Confirm an applicant has done a tax check

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What is the applicant's date of birth?

For example, 23 11 1995.

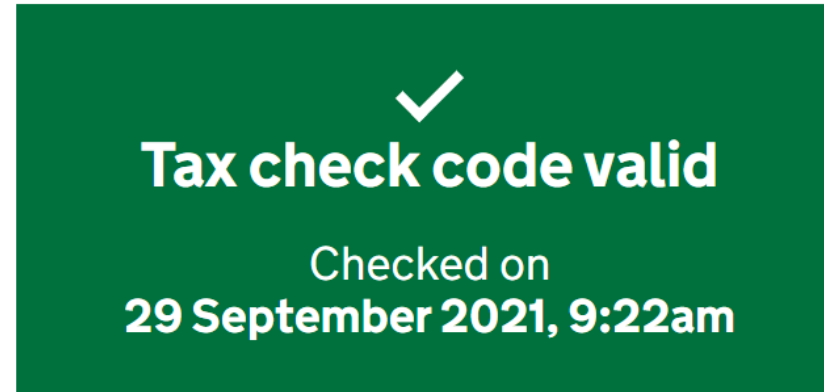
Day Month Year

<input type="text"/>	<input type="text"/>	<input type="text"/>
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Continue

Licensing Body – confirming a tax check

- The Service confirms the tax check has been completed in real time.



Details entered

Tax check code AB1 234 DEA

Licence type Driver of taxis and private hires

Date of birth 12 May 1992

You can [print or save this page as a PDF](#).

What happens next

The applicant has completed their tax check. This means you can consider their application for a licence.

If you want to view another code

[View another tax check code](#)

How can applicants prepare for the changes?

- You will need a Government Gateway user ID and password to access the tax check service. If you do not have a user ID, you can create one by registering for HMRC online services.

Individuals:

- Self Employed – Business Tax Account
- Everyone else – Personal Tax Account

Companies:

- Business Tax Account (using your organisation's GOV.UK credentials)
-
- Check your HMRC records are up to date
 - Find out if you must pay tax on earnings from your licence
 - More information can be found in the preparatory guidance on GOV UK



How can licensing authorities prepare for the changes?

- Update systems and processes so that you can:
 - Check whether the application is a first-time or subsequent application.
 - Ask the licence applicant for their 9-character tax check code
 - Record the Company Number if the applicant is a company
 - Give first-time applicants - who do not need to complete a tax check - the GOV.UK website addresses for HMRC guidance about tax registration obligations
- More information can be found in the preparatory guidance on GOV.UK

How is HMRC preparing?

- HMRC is currently building and testing a digital service to enable applicants to do their tax check and licensing authorities to obtain confirmation that the check has been done
- We have published guidance for licensees and licensing authorities on how to prepare for the introduction of the tax check
- We continue to carry out detailed user research with licensing officers, licensees, and tax agents to inform the design of that service
- From January 2022 we enter the Private Beta stage of this build when we will be working very closely with three licensing bodies and volunteer licensees to conduct end-to-end testing of the service



Where can I find more information and help?

- **Applicants** can find more information about how to prepare for the tax check here <https://www.gov.uk/guidance/changes-for-taxi-private-hire-or-scrap-metal-licence-applications-from-april-2022>
- **Licensing authorities** can find more information about how to prepare here <https://www.gov.uk/guidance/changes-when-dealing-with-taxi-private-hire-or-scrap-metal-licence-applications-from-april-2022>
- We have also published a toolkit of materials to help stakeholders with communication about the tax check, which you can find here
- [Licence application tax check: communications resources - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/changes-when-dealing-with-taxi-private-hire-or-scrap-metal-licence-applications-from-april-2022)
- More detailed guidance for licence applicants and licensing authorities will be available on GOV.UK in January 2022 to support users in completing the tax checks

