XXXX MP
House of Commons

London SW1A 0AA

XXXX 2019

Dear Mr/Ms XX

**IR35 off-payroll tax and how it will damage my business**

I wanted to raise with you my grave concerns about the government’s plans to extend the controversial changes to the IR35 tax rules into the private sector. An EDM has been tabled on this topic (#2379) and I would be grateful if you would sign it in order to put pressure on the government to change this anti-business, economically damaging proposal.

I am worried that extending these changes to the private sector will seriously damage the smallest of businesses like mine. In fact, it would/could put me out of business/force me to retire early/force me to move abroad to continue my business/force me to raise a legal challenge, at considerable personal cost/result in a pay cut for me of up to £14,000 per year.

The changes have already had a negative impact in the public sector. The Independent Healthcare Professionals Association warned that ongoing staff shortages will cause a decline in patient safety as [98 per cent of their members said they are considering leaving the NHS](https://ihpa.org.uk/press-release/nhs-tax-reforms-false-employment-patient-safety-risk/) because of the changes. The government’s own research shows that 51 per cent of public sector central bodies found that the [off-payroll working reforms](https://www.contractoruk.com/public_sector_contracting/april_6th_payroll_worker_guide_rules_now_force.html) were not easy to comply with.

Even HMRC – who are meant to be tax experts – can’t make accurate assessments, losing five the six IR35 cases that have come to light in the last year. So how are businesses, with little or no IR35 expertise, meant to accomplish the impossible task of determining which contractors do and do not fall within IR35?

HMRC may come back and say businesses can use their online CEST tool. Unfortunately, nearly all experts agree the tool is deeply flawed. In April this year, accountancy body ICAEW told the government that the tool is “not suitable for use in the private sector.”

Many businesses will inevitably decide it’s safer to say that everyone is caught by IR35, as to do otherwise would risk significant tax liability. This will mean that genuine contractors like me – who are just small businesses offering their services to other businesses – will end up paying employee taxes, the employers’ National Insurance charge (an effective rate of around 50 per cent) and in some cases even the hirers’ apprenticeship levy, without getting access to any employee benefits.

How is this an acceptable situation?

I value the freedom, flexibility and autonomy that contracting gives me. Now my autonomy is going to be taken out of my hands – with no meaningful right of appeal – in a way that seriously undermines my business.

IF YOUR MP IS A CONSERVATIVE – The Conservative Party is supposed to be the party of business and lower taxation. Why then is the government seeking to introduce a measure which will unfairly penalise compliant businesses?

As my MP, I urge you to raise my concerns with the Treasury and do everything in your power to prevent a policy that would be a disaster both for self-employed people like me and for the wider economy.

Yours sincerely,