



HMRC Tax Checks from April 2022

The government is putting in place new tax requirements for applications to certain licences. This is supported by a new digital service developed by HMRC. It helps people in the taxi and private hire industries complete a new tax check.

Most people are registered to pay tax and this is about ensuring everyone pays the tax they should, creating a level playing field for the compliant majority. HMRC are working with industry bodies to make this as straightforward as possible. The check should take a few minutes every few years and is simply to confirm that someone is appropriately registered for tax.

You will need to complete a tax check when you renew your licence as a:

- hackney carriage driver
- private hire driver
- private hire operator

About the tax check

You will be able to complete this tax check on GOV.UK, through your Government Gateway account. You will only need to answer a few questions to tell HMRC how you pay any tax that may be due on income you earn from your licensed trade. If you do not already have a Government Gateway account, you can sign up on GOV.UK.

The tax check should only take a few minutes. There is guidance on GOV.UK and anyone who needs extra support will be able to complete the tax check by phone through HMRC's customer helpline:

0300 200 3300

When you have completed the tax check, you'll get a code. You must provide this code on your renewal application form. The licensing authority cannot proceed with your licence application or renewal until the tax check is completed and they have received the code.

The licensing authority will only receive confirmation from HMRC that you have completed the tax check, they will not have access to information about your tax affairs.

Note: We are also able to provide information on tax checks in the following languages: Arabic, Bengali, Gujarati, Punjabi and Urdu. Please contact the Licensing Department if you would like information in any of these languages.

How to complete your tax check

Complete your tax check online:

<https://www.gov.uk/guidance/complete-a-tax-check-for-a-taxi-private-hire-or-scrap-metal-licence>



To carry out a tax check, you need a Government Gateway user ID and password. If you do not have a user ID, you can create one when you start the check.

You'll also need to know:

- when you first got your licence
- the length of your most recent licence
- how you pay tax on the income you earn from your licensed trade

You will not be able to complete the tax check if the information you give about your tax affairs does not match HMRC's records.

Your tax check code is valid for 120 days. If your licence is due to renewal in April 2022, you may wish to obtain your tax check code now.

Registering for tax

You may have to pay tax through Pay as You Earn (PAYE), Self Assessment and/or Corporation Tax, depending on your circumstances. If you should have been registered to pay tax and have not been, HMRC will work with you to get you back on the right track. It is your responsibility to get your tax right, but HMRC are there to help.

If you're an employee: Pay As You Earn (PAYE)

Most employed people pay Income Tax through PAYE. This is the system employers use to take Income Tax and National Insurance contributions before they pay wages.

See more information on PAYE online: <https://www.gov.uk/income-tax/how-you-pay-income-tax>

If you're self-employed: Self Assessment tax returns

If you're self-employed you'll pay Income Tax and National Insurance through Self Assessment. You'll need to fill in a tax return every year.

You must send a tax return if, in the last tax year (6 April to 5 April), you were:

- self-employed as a 'sole trader' and your annual gross trading income was more than £1,000
- a partner in a business partnership

See more information on registering for Self Assessment online: <https://www.gov.uk/register-for-self-assessment>

If you operate through a company: Corporation Tax

Companies need to register for Corporation Tax when they start doing business or restart a dormant business.

See more information on Corporation Tax online: <https://www.gov.uk/corporation-tax>