



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

The Rt Hon Fiona Mactaggart MP
House of Commons
London
SW1A 0AA



28 NOV 2015

Dear Fiona

Thank you for your letter of 11 November to George Osborne enclosing correspondence from your constituents, [REDACTED] about limited company contractors. I am replying as Minister responsible for this policy area.

I would like to thank your constituents for their comments on this matter. As your constituents may be aware, at the Summer Budget the Government asked HM Revenue & Customs to start a dialogue with business on how to improve the effectiveness of the existing intermediaries legislation (known as IR35).

Where people would have been employees if they were providing their services directly, rather than through a limited company, or personal service company, the intermediaries legislation requires they pay broadly the same tax and National Insurance as other employees. We want to find a solution that protects the Exchequer and improves fairness in the system.

The Government published a discussion document on 17 July 2015 that set out the issues in more detail and invited views from all interested parties to form its approach to reform. The discussion period closed on 30 September and the Government will announce its next steps in due course in light of the responses received.

The document is still available to view on GOV.UK at:
www.gov.uk/government/consultations/intermediaries-legislation-ir35-discussion-document.

Please pass on my thanks to [REDACTED] for taking the trouble to make us aware of these concerns.

*Yours
David*

DAVID GAUKE