



TAXATION: BENEFITS IN KIND

Keith Lloyd, former GCMA Chief Executive, consults Ian White about Tax Legislation

Secretary At Work: April 2004 (reviewed January 2012)

In recent months, there have been a number of individual cases where the Inland Revenue have challenged a Secretary/Manager's right to play the course at the Club at which he/she is employed as a Taxable Benefit in Kind. In at least one particular case, consideration was also given to applying the challenge to the previous six tax years also.

As there could possibly be considerable financial implications to many GCMA members on this matter, we consulted Mr Ian White (ex Controller of the Revenue and currently consultant to GCMA and individual Clubs) for his advice.

Ian writes:

"There is no doubt that the Tax Legislation on Benefits in Kind applies to all golf club secretaries. However, following the adverse court decision for the Revenue in the case of Pepper – v – Hart 65TC 421, the Inspector must establish the value of the Benefit and THAT IS A QUESTION OF FACT.

In most cases only marginal costs will be involved in allowing the secretary to play golf and therefore the Revenue will be unable to establish a COST or LOSS to the Club in providing the benefit."

Should further information be required, members should contact HQ – tel 01934 641166 or e-mail hq@gcma.org.uk

[This document is prepared for guidance and is accurate at the date of publication only. We will not accept any liability (in negligence or otherwise) arising from any member or third party acting, or refraining from acting, on the information contained in this document.]