

Social Investment Tax Relief on Community Shares

How it works

After the close of the share issue, everyone will become a shareholder in the society. Soon after that, we will contact HMRC to apply formally for tax relief under the Seed Enterprise Investment Scheme which will enable investors to claim back against their income tax, and possibly capital gains tax, liability. We've already had Advance Assurance from HMRC that they believe we meet the criteria, so we anticipate this being a formality.

Once HMRC have approved it, we will be sent a series of certificates from HMRC that we will fill out for every investor detailing how much you have invested, which we will then post on to you. Once you have the certificates, you can use these to claim your tax relief.

If you are on PAYE:

You choose which tax year you want to claim the income tax relief against - either the current tax year in which the investment will be made, or backdated to the tax year ending on April 5th 2018 - and then send the certificate to the HMRC office that managed your companies' PAYE. HMRC will then send you a new tax code for you to pass on to your employer to adjust how much tax is taken from you to reflect the tax relief you are due.

If you complete a self-assessment

Again, you choose which tax year you wish the relief to be applied to depending on which year it has the biggest impact for you. If you are claiming it for the current tax year, or for the last tax year and you haven't yet submitted the return for that last tax year, then you add the investment into the relevant section of the self-assessment form. If you are claiming the relief for the last tax-year, and you have already submitted your tax return by the time the certificate we send you arrives, then you need to contact HMRC directly to claim the rebate on the tax calculation that has already been calculated for you.