

UNITED KINGDOM
GOLF COURSE OWNERS ASSOCIATION



GolfBIC 2014

TAXATION UPDATE

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Recent actions relating to the VAT distortion issue

- England Golf and UKGCOA in discussion with KPMG during 2013 to formulate strategy
- Joining together of various bodies (EG, UKGCOA, AGCO, OGRO) in late 2013 to create a unified tax working group
- TWG agree reduced rate strategy with KPMG in Jan 2013
- TWG meet Treasury officials
- TWG meet top VAT QC to validate strategy



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Reduced rate strategy

Four stage KPMG project:

Stage 1 – Scoping study to assess economic impact of 5% rate for proprietary golf clubs.

Stage 2 – Stakeholder assessment along with initial HMRC meeting

Stage 3 – Full study of VAT impact

Stage 4 – Study of distortion of competition



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Reduced rate strategy

Four stage KPMG project objectives:

Stage 1 – An analysis that provides an acceptable impact on tax yield for HM Treasury, an analysis supporting application of reduced rate to golf only.

Stage 2 – Presentation to HMRC and HM Treasury of stage 1 findings and agreement of proposal format, HM Treasury acceptance to the plan and confirmation of serious consideration



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Reduced rate strategy

Four stage KPMG project objectives:

Stage 3 – Report format agreed with Government

Stage 4 – Short report outlining the competitive effects of differential tax rates also outlining the benefits of the proposed approach



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Reduced rate strategy

Current status:

England Golf (and other Home Unions) have offered £26k to fund stage 1, subject to certain conditions.

UKGCOA to be instructing body, EG conditions to be reviewed at board meeting 11/03/2014

If agreed, KPMG will be instructed immediately after 19th March budget.



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Treasury Meeting 21st January

- Due to work of Andrew Sutcliffe with Liam Fox MP
- Senior HMRC and Treasury Policy Advisors
- Provided information on Bridport implications to the Treasury
- Budgetary submission suggested, followed by high level lobbying



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VAT QC meeting

- Due to the work of Michael Ramsay (Stockwood Vale GC)
- Advised against a litigation route
- Supported the KPMG reduced rate project
- Provided a slightly different interpretation to KPMG of reduced/ exempt rate potential from EU VAT Directives
- Advised that normally will get only one opportunity at high level lobbying (concern about impact of VS infraction proceedings)



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Community Amateur Sports Club (CASC) Consultation

