

## LFB meetings

9 September

On not being bamboozled — tips for reporting stories with numbers in

See back page &  
www.twitter.com/  
NUJ\_LFB

# Sent to tax us

THE JULY meeting of London Freelance Branch was entertained by Eric Longley, who described himself as “an ex-Inspector of Taxes aiming to go straight”. How can we freelancers be sure that we pay just as much tax as we have to? We also heard from

as a deduction everything that is “wholly and exclusively for the purposes of” your trade.

Eric gave as an example the case of draughtsman Harry Prince, who also played guitar professionally. He claimed the cost of repairing a fin-



Eric Longley, “an ex-Inspector of Taxes aiming to go straight”

Photo © Hazel Dunlop

financial advisor Ion Tsakalis on how managing what’s left (a report of lon’s talk is on page 3.)

Parliament is still arguing over the idea that freelancers should claim expenses at a flat rate, rather than keeping all our invoices and claiming actual expenses, says Eric.

This is not unconnected with the government having since 2005 got rid of 37,000 of the Her Majesty’s Revenue and Customs (HMRC) officers who decide whether what you claim is reasonable.

What is reasonable? You can claim

ger he’d cut sharpening a pencil. The Revenue barrister asked him: “do you enjoy playing the guitar”? Oh yes. “It’s not exclusively for the purposes of your trade, then.”

Be careful if you claim the use of your home for work, especially if it’s your main residence. If you own your house, you can claim only a share of the cost of repairs – not mortgage capital or interest. But if you then say you use this particular room for writing, then if you sell your home, the proceeds of that room will be subject to Capital Gains Tax.

If you write in the morning in the kitchen and in the afternoon elsewhere, and pay rent, then you can “claim 30 per cent – and be prepared for the Revenue to argue it down to 20 per cent”.

Most journalists Eric knows “have no friends, so it must be the case that 90 per cent of their phone expenditure is for business.” He sees no reason that journalists shouldn’t claim part the cost of a television to inform their work. Books used to be a capital allowance, and can now be claimed as expenses.

Claiming for meals when you go to interview people? Eric says HMRC may “think you’re only eating to stay alive, it’s nothing to do with your job”; HMRC may allow you a sandwich if you leave home at 6am and won’t be back until 8pm.

And if you incorporate – form a limited company – it can claim entertainment expenses for you. But that’s not worth doing unless you’re earning well over £50,000.

HMRC staff cuts will mean fewer investigations, but they will be more in-depth, and their investigation of you can go back 10 years. Hiring an accountant to rebut their claim is often costlier than what you save.

They can come into your home if they believe someone works there, and they have the right to inspect documents there, although this doesn’t count as a “search”. This rule treats your place of work the same as the offices of Goldman Sachs, with its 20 lawyers hired to rebut the Revenue’s claims.

© Mike Holderness

## Taking exception

THE UK government in June and July released eight proposals for extending the “exceptions” to copyright – the conditions under which your work can be used without permission or payment. These cover new exceptions for “private copying”; for “parody, caricature and pastiche”; and for “data analysis for non-commercial research”. It is proposed to replace the current exception for “review and criticism” with a wider “quotation” exception. And there are amendments to the exception for educational uses, for “public administration”, for research, libraries and archives, and for people with disabilities.

The NUJ has put in the strongest possible comments to the first seven of these; the deadline for com-

ment on the disability proposal is 11 September. “Strongest possible,” because the government declared that its consultation on these would be purely “technical” – only comments on whether they implemented the policy announced in December 2012 would be accepted.

The Creators’ Rights Alliance, of which the NUJ is a member, therefore wrote a separate letter to the Minister pointing out why the policy remains wrong. Of most concern are the “private copying” and educational exceptions.

The proposal on “private copying” is that it be legitimised – a good thing – but without the “fair compensation” mandated in EU law – a bad thing. As drafted, it risks creating loopholes for so-called “sharing”

of works that should be paid for – equally bad.

The education proposal is too subtle for its own good and also creates a risk of loopholes which would reduce payments to creators through collecting societies such as [www.alcs.co.uk](http://www.alcs.co.uk) and [www.dacs.org.uk](http://www.dacs.org.uk) – a source of income to journalists whose works are copied in educational establishments.

The proposal for “data analysis for non-commercial research” is an odd one. The government’s earlier consultations, and the resulting policy, were about scientific researchers being able to get computer programs to scan through the text of scientific research papers. The pro-

See *EXCEPTIONS* on p4