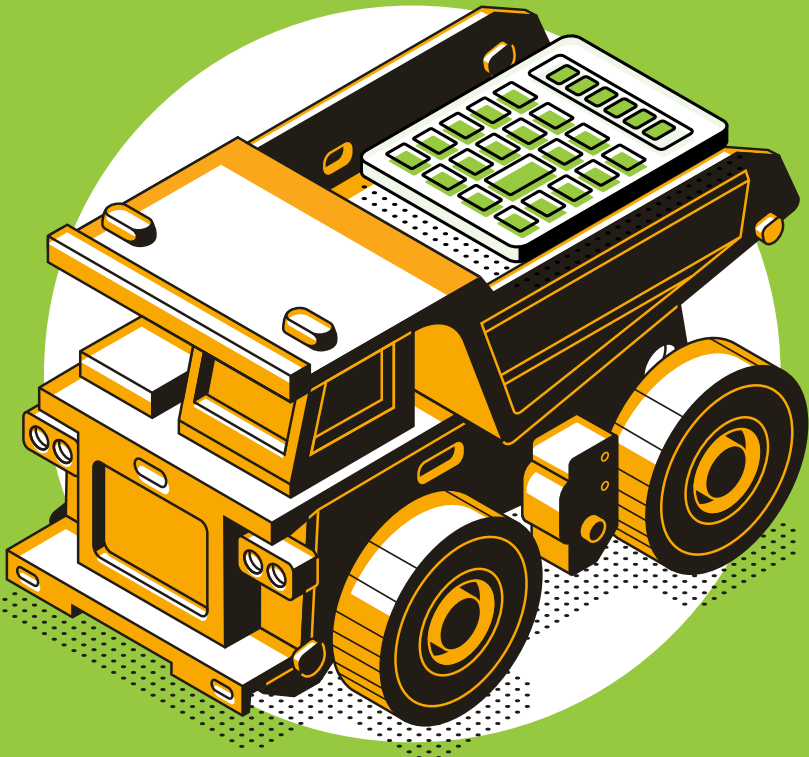


# 2026 LEVY RETURN

## HOW TO CALCULATE YOUR FIGURES



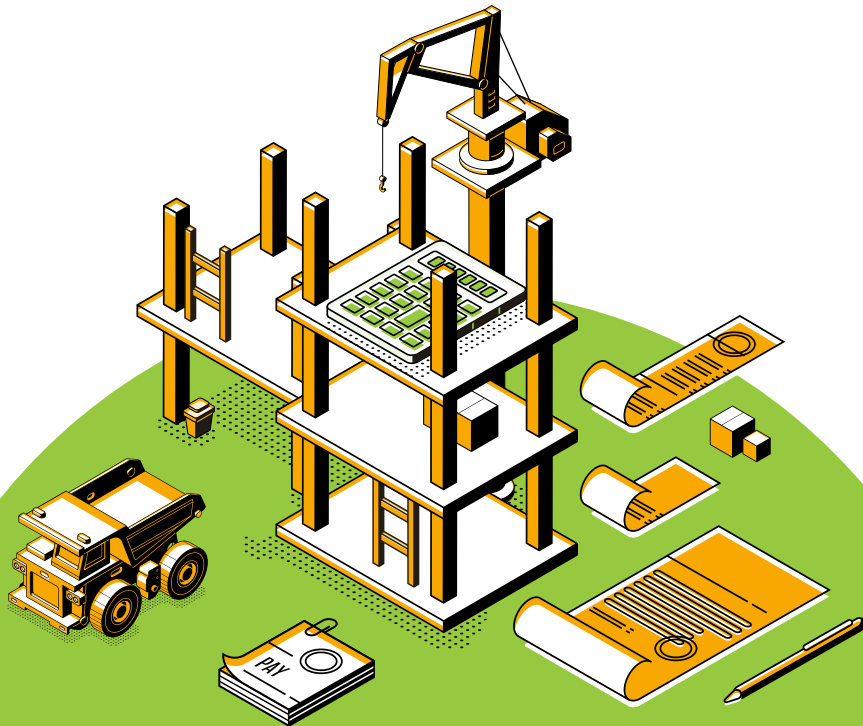
The CITB Levy is based on your total payments for the year to individuals on the payroll and Construction Industry Scheme (CIS) subcontractors from whom you make a CIS deduction.

To determine your total payments for the 2026 Levy Return, you will need the following covering the 2025 to 2026 tax year (6 April 2025 to 5 April 2026):

- gross taxable payroll records
- monthly HMRC CIS300 or CIS online returns
- purchase ledger



Scan the QR code for a video guide



## Payments to employees, including paid directors (Section 2)

**BOX A** - total gross taxable payments made to all employees on the payroll, including paid directors, before deductions from 6 April 2025 to 5 April 2026.

This figure is the total amount for the year on your gross taxable payroll records that you will have submitted to HMRC.

### This should include:

- All PAYE payments to staff including paid directors, administrative/clerical staff, IR35 off payroll workers (deemed as employed for tax purposes) as well as any leavers.

### This should not include:

- Employer pensions contributions
- Sole trader and partner drawings
- Employer's National Insurance Contributions (NICs)
- Dividends
- Payments to self-employed workers, subcontractors, agency staff, or labour suppliers.

If you made no payments to employees please enter '0' in **BOX A** and enter a reason for nil payroll into the space provided.

If you are a limited company, a director engaged in day-to-day activities is an 'employee' of your company and must be included in **BOX A**. If the director(s) have not been paid through PAYE and you have entered 0 in BOX A, please tell us why they have not taken a wage in the space provided e.g. directors take dividends only or directors did not receive a wage.

**BOX B** - Average number of employees on the payroll.

This should include:

- All staff included in **BOX A**. Part-time employees should be counted as appropriate fractions of full-time employees.



Scan the QR code for a video guide

# Construction Industry Scheme (CIS) payments (Section 3a)

**BOX C** - Total tax deducted from subcontractors paid through CIS from 6 April 2025 to 5 April 2026.

This figure can be calculated by adding together 'total tax deducted' from each of the CIS300/online contractor monthly returns.

**BOX D** - Total of **all** payments (before deductions) to **all** subcontractors paid through CIS from 6 April 2025 to 5 April 2026.

This figure can be calculated by adding together 'total payments made (does not include VAT)' from each of the CIS300/online contractor monthly returns.

Monthly Return - Print

Monthly Return for period ended  
5th May 2025

This monthly return was submitted on 12/05/2025

Your IRmark is:

Number of subcontractors: 4

Name	Verification number	Total payments made (does not include VAT)	Cost of materials (paid for by subcontractor)	Total tax deducted
789 Construction Ltd	VL15455532	1,000.00	0.00	200.00
456 Electricals Ltd	VL15455539	5,000.00	0.00	0.00
Cat Tooth Roofing Ltd	VL15455533	3,500.00	2,000.00	0.00
Steve Taylor	VL15455554	1,600.00	600.00	300.00
<b>Totals</b>		<b>11,100.00</b>	<b>2,600.00</b>	<b>500.00</b>

↓  
**BOX D**

↓  
**BOX C**

If you have made no payments through the Construction Industry Scheme (CIS), please enter '0' in **BOXES C** and **D** and proceed directly to next section.



Scan the QR code for a video guide

# Have you deducted tax at 30% from some or all subcontractors paid through CIS?

'No' proceed directly to next section.

'Yes' you should complete **BOX F**, entering your payments to all taxable subcontractors less materials.

## Why is BOX F important?

The Levy calculation applied to BOX C assumes that all subcontractors were taxed at 20%. If some or all of your subcontractors were taxed at 30% and you do not complete BOX F then your Levy Assessment will be higher than it should be.

Calculating **BOX F** - your payments to all taxable subcontractors paid through CIS from 6 April 2025 to 5 April 2026, less materials.

To calculate this figure, first find the lines on your CIS300/online contractor monthly returns where tax was deducted, this is where 'total tax deducted' is not zero, as shown in example below.

Monthly Return - Print

Monthly Return for period ended  
5th May 2025

This monthly return was submitted on 12/05/2025

Your IRmark is:

Number of subcontractors: 4

Name	Verification number	Total payments made (does not include VAT)	Cost of materials (paid for by subcontractor)	Total tax deducted
789 Construction Ltd	VL15455532	1,000.00	0.00	200.00
456 Electricals Ltd	VL15455539	5,000.00	0.00	0.00
Cat Tooth Roofing Ltd	VL15455533	3,500.00	2,000.00	0.00
Steve Taylor	VL15455554	1,600.00	600.00	300.00
<b>Totals</b>		<b>11,100.00</b>	<b>2,600.00</b>	<b>500.00</b>

- ← ✓ Tax deducted with no material cost - Include in BOX F
- ← ✗ Tax not deducted - Do not include in BOX F
- ← ✗ Tax not deducted - Do not include in BOX F
- ← ✓ Tax deducted with material cost - Include in BOX F



Scan the QR code for a video guide

Now add together the 'total payments made (does not include VAT)' from these lines and subtract the 'cost of materials (paid for by each subcontractor)' from these lines.

Total payments made (does not include VAT)  
£1,000 + £1,600 = £2,600

– Cost of materials (paid for by subcontractor)  
£600

= **BOX F**  
£2,000

# New to the 2026 Levy Return (Section 3b)

## Why is CITB collecting this information?

CITB is collecting the data to better understand labour supply models within the industry. The figures in BOXES G and H will be collected for research purposes only and do not affect your Levy liability.

**BOX G** - Total payments made through CIS to labour agencies, umbrella companies, CIS payroll providers or similar organisations<sup>^</sup> with gross payment status from 6 April 2025 to 5 April 2026.

This figure can be calculated by adding together the relevant payments from each of the CIS300/online contractor monthly returns.

### This should include:

- Payments made through CIS to labour agencies, umbrella companies, CIS payroll providers or similar organisations with gross payment status
- Mixed construction activity contracts as per CIS340 guidance
- Travel and subsistence as per CIS340 guidance.

### This should not include:

- PAYE workers
- Net paid CIS subcontractors included in Box C
- Gross paid CIS subcontractors who are **not** labour agencies, CIS payroll providers or similar organisations
- Payments to off payroll workers included in Box A
- Payments made to trade gangs such as brickwork, carpentry, plastering etc (unless paid through a labour supplier)
- VAT.

Name	Verification number	Total payments made (does not include VAT)	Cost of materials (paid for by subcontractor)	Total tax deducted	
DEF Payroll Solutions	VL1523456	£3000.00	£0.00	£0.00	← ✓ Gross paid CIS payroll provider – Include in Box G
James Brown *	VL1523456	£2000.00	£0.00	£400.00	← ✗ Not a CIS payroll provider and not gross paid – Do not include in Box G
XYZ Builders **	VL1523457	£4000.00	£0.00	£0.00	← ✗ Not a CIS payroll provider and not gross paid – Do not include in Box G
CIS Payroll Services *	VL1565789	£4500.00	£0.00	£900.00	← ✗ Is a CIS payroll provider but net paid – Do not include in Box G

\* Already declared elsewhere on the Levy Return  
\*\* General builder providing own plant and materials

**BOX H** - Total payments made outside CIS to labour agencies, umbrella companies, or similar organisations<sup>^</sup> from 6 April 2025 to 5 April 2026.

This figure can be calculated by adding together the relevant payments from the purchase ledger/accounts payable.

### This should include:

- All labour supplier payments made outside of CIS to labour agencies, umbrella companies or similar organisations, **regardless of activity**
- Agency/commission fees for the provision of labour.

### This should not include:

- PAYE workers
- Payments to off payroll workers included in Box A
- Agency finders fees/transfer fees
- VAT.

### What should be included in BOX H?

Some examples of what to include in BOX H include, but are not limited to, payments to a labour agency for:

- Professional consultants such as architects, surveyors, engineers, and project managers
- Cleaning and catering services
- Temporary office cover i.e. accounts assistant, receptionist, data entry clerk etc.

This list is not exhaustive.

**If you have any queries about what to include please contact us.**

### <sup>^</sup>What do we mean by similar organisations?

These types of businesses are known by multiple terms (e.g. contracting and payment services, staffing agencies, CIS payroll service, CIS payment intermediary, labour/resource providers, labour/payroll solutions providers). **Many of these terms are interchangeable, but it's the service they provide which is important.**

If you have made no payments to labour agencies, umbrella companies, CIS payroll providers or similar organisations please enter '0' in **BOXES G** and **H** and proceed directly to the next section. **Please do not leave these boxes blank.**



Scan the QR code for a video guide



## Before returning your Levy Return to us, please check that you have:

- ✓ Written amounts in whole pounds only, ignoring pence
- ✓ Entered '0' where value is nil
- ✓ Included your directors' wages in BOX A if your business is a limited company
- ✓ Provided a reason if you have declared nil payroll in BOX A
- ✓ Only completed BOX F if you deducted tax at 30% from some or all subcontractors paid through CIS
- ✓ Completed BOX G and H if you have used labour suppliers, or entered '0' where value is nil.