

INTERNATIONAL TAX PLANNING

We've received many letters from members of road crews asking about their tax situation when working overseas for extended periods. We invited Craig Williams of chartered accountants Hacker Young to offer some guidelines.

Where crew are working overseas for long periods, it can often be worth their while using a limited company as a trading vehicle to obtain a UK tax advantage. Individuals can trade using their own limited companies and are then treated as employees of those companies. If overseas work is undertaken, which in total covers a period of at least 365 days, then exemption from UK tax on overseas earnings may be available, even if some part of the period is in the UK. Broadly, in order to qualify for relief, the duties of the employment must be (a) performed wholly or partly outside the UK, and (b) performed in the course of a 'qualifying period', which consists of at least 365 days.

A 'qualifying period', for these purposes, is a period of consecutive days which consists of days of absence from the UK, including some intervening days spent in the UK between working abroad. These intervening days can be considered as part of the qualifying period as long as there is no single visit to the UK amounting to 62 days or more, and as long as the total days spent in the UK do not exceed one-sixth of the qualifying period at any point. This one-sixth test is applied immediately before each visit to the UK.

It is not necessary that the whole of the period overseas should be spent on the same tour. A number of tours running more or less consecutively can be sufficient as long as the overall period exceeds 365 days, and the 'visits to the UK' rules are complied with.

THE PERIOD CAN BE DIVIDED ACROSS SEVERAL TOURS

Here is an example of a possible series of events which would be well worth reviewing, and which might lead to an agreement with the UK authorities that all monies earned in this employment would be tax free. John, tour manager with a well-known hardcore band, leaves the UK on February 1, 1994 for a European tour that lasts until April 29, 1994. The tour ends up in Amsterdam so John decides to spend some of his hard-earned cash with a two-week break, relaxing in some of the city's notorious dives. On May 14 John returns to the UK. John remains in the UK for approximately one month (visiting a clinic regularly) and heads off on June 13 for a tour of the US with a Hungarian folk dancing act. This lasts for about four months.

On October 16 John again returns to the UK and spends a week at home before embarking on a European tour up to Christmas. The first two weeks form the UK leg of the tour. John has a few days off in France over Christmas and the New Year and continues the tour, returning to the UK on February 18, 1995. As we can see from the above, John has been working outside the UK over a period of more than 365 days, having spent 51 days in the UK, and at no time has he exceeded the one-sixth rule.

When accountants talk of international tax planning it often appears to be in the realm of millionaires using complex company structures in exotic offshore locations, but it is worth noting that this 100% deduction for tax is available for little cost, and may be applicable to many people.

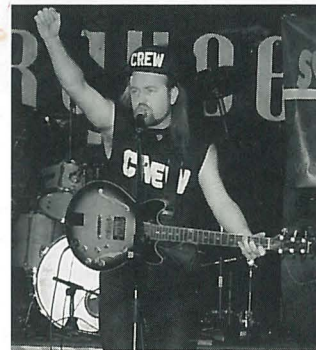
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Heritage



DON'T PUT YOUR DAUGHTER ON THE STAGE...

And so to the *Wayne's World Roadie's Convention* where the Marquee hosted a hilariously decadent two hours of cultured stereotyping to promote the CIC Paramount video retail release of *Wayne's World 2*.



Co-sponsored by *LIVE!* in the true spirit of *Waynestock*, and featuring such celebs as Jadene Doran from *Don't Forget Your Toothbrush*, Crusher from ITV's *Noisy Mothers* and Motorhead's Wurz, the gathering witnessed outrageous LD Coral Cooper trying to teach a rookie roadie 'attitude' and the tricks of becoming a lampie, Pete Skan doing likewise on sound and Dave Fowler failing miserably to extol the arcane virtues of a backline tec (to the amusement, no doubt, of any crew member who feels that all backline tecs are blessed with oversize egos).

LSD's Dave Smith had clearly delved into his personal archives to dust off some choice anecdotes for use in the Roadie's Challenge, as Wurz and Crusher (with help from Edwin Shirley's workforce and the Marquee's crew) held court.

But the highlight was the appearance of comedian and roadie

stereotype Bill Bailey, who had the room in stitches, while a raffle to win a Fender Strat, as featured in the movie, was won by *outré* musician Donna.

The proceeds went to the McIntyre School for Downs Syndrome, as a mark of respect for the late Tim Warhurst, whose tragic death following an accident during Take That's production rehearsals last August shook the industry. The school is attended by Tim's sister, and the draw was made by *LIVE!* editor Jerry Gilbert.



For a final wander down memory lane we trooped backstage (*sans pass*) to bid farewell to Countrywide Communications, who organised the event so excellently on behalf of CIC Paramount, and were disappointed to find that (a) no-one was skinning up, (b) there were no evident signs of any shagging, and (c) there was no huge ice tub brimming with Michelobs.

How times change — and how that would have disappointed the reporter from *The Independent*, who clearly missed the irony of the occasion.