

How to complete a monthly CIS return

The Construction Industry Scheme (CIS) is an HMRC scheme for workers in the construction sector. Contractors and businesses that employ subcontractors are required to register for the CIS, deduct money from each subcontractor's pay, and complete monthly CIS returns.

The monthly returns inform HMRC about the payments and deductions made throughout the period.

Monthly CIS returns must be submitted by the 19th of the following tax month. Tax months run from the 6th to the 5th. For example, if you are submitting a return for the period ending on March 5th, this covers all subcontractor payments made between February 6th and March 5th. The CIS return would be due on March 19th.

You can file your monthly return from the [HMRC CIS online service](#) or through compliant commercial CIS software.

Required information

The return must include all payments to all subcontractors in that month, regardless of the subcontractors CIS status or deduction rate. You must also declare that the subcontractors listed are not considered employees of the business. If you incorrectly declare the employment status of a subcontractor, you could receive a fine of up to £3,000.

You will need to submit the following information for each subcontractor paid in the period:

- The subcontractor's name or business name

- The subcontractor's unique tax reference (UTR)
- The subcontractor's verification number - this is provided when you verify the worker on your CIS account
- The gross amount of payments made to the subcontractor that month
- The total cost of any materials paid for by the subcontractor that month
- The total amount of tax deducted from the subcontractors pay that month

Nil Returns

If you have tax months in which no payments were made to subcontractors, you must file a nil return. If you do not file a monthly return, HMRC will assume that the return is late and you may incur a penalty.

To file a nil return, simply tick box 5 next to "Nil return" and submit it as normal.

Correcting submitted returns

If you realise that you have made a mistake or forgotten an entry, you should amend the return or contact HMRC as soon as possible to avoid fines.

You can file an amended CIS return through your online CIS account or contact the CIS Helpline on 0845 366 7899.

Example deduction

Let's say you paid a standard-rated (20%) subcontractor £500 this month and they did not purchase any materials. On the return, you would enter the total payment as £500, the cost of materials as £0 and the amount deducted as £100.