

CIS Deductions & Refund Checklist 2026/27

Check your CIS deductions are right, keep the paperwork HMRC expects, and get back any tax you've overpaid. 2 pages, plain English, free.

General guidance, not tax advice. Rules change, so check GOV.UK or ask an accountant about your own situation.

1. Are you on the right rate?

- 20%** You're **registered** for CIS and the contractor can verify you.
- 30%** You're **not registered**, or the contractor can't verify you. Register to drop to 20%.
- 0%** You have **gross payment status**: paid in full, and you pay your own tax later.

- ☐ I've registered for CIS (you need your UTR from HMRC).
- ☐ I gave each contractor my exact registered name and UTR, so they can verify me.
- ☐ My statements show 20% (or 0%), not 30%.

2. Check every deduction

CIS should only come off your **labour**. It should **not** come off:

- ☐ VAT
- ☐ Materials you paid for yourself (keep the receipts)
- ☐ Plant hired for the job
- ☐ Consumables that get used up on the job

Worked example (registered, 20%)

Labour £1,000 + materials £300 = invoice £1,300

CIS: 20% of £1,000 = **£200** (not £260)

You're paid £1,300 - £200 = **£1,100**

- ☐ Materials are on their own line on my invoice.
- ☐ I've kept receipts for materials (the contractor can ask for them).

3. Keep your paperwork

- ☐ A **payment and deduction statement** for every month I was paid. The contractor must give it within 14 days of the end of each tax month (tax months end on the 5th).
- ☐ A copy of every invoice I sent.
- ☐ Receipts for expenses: tools, van, fuel or mileage, phone, workwear and protective kit, insurance.
- ☐ If a statement is missing or wrong, I've asked the contractor for it.

4. Claim back what you've overpaid

CIS deductions are **advance payments** towards your tax and National Insurance. The 20% comes off before your expenses and before your **£12,570** Personal Allowance, so many subcontractors are owed money back.

- ☐ After the tax year ends (5 April), I send my Self Assessment return. (Sole traders. Limited companies claim through payroll instead.)
- ☐ I put my total pay **before** deductions as income.
- ☐ I put the total CIS taken off in the **CIS deductions** box.
- ☐ I include my bank details so HMRC can pay any refund.
- ☐ If I owe more, I pay it by **31 January**.

5. Thinking about 0% (gross payment status)?

As a sole trader you'll usually need turnover of at least **£30,000** in the last 12 months (not counting VAT and materials), a business bank account, and a record of paying tax on time. HMRC checks every year.

Quick tools: CIS calculator (billmyweek.com/cis-calculator) and CIS refund checker (billmyweek.com/cis-refund-checker).

Send invoices every week? BillMyWeek makes them on your phone, works out CIS and VAT, and emails the PDF to your client. 14 days free, no card needed.

Try it now, no sign-up: **billmyweek.com/try**

Sources (GOV.UK, checked 21 Oct 2026): gov.uk/what-you-must-do-as-a-cis-subcontractor · gov.uk/self-assessment-tax-returns/deadlines · gov.uk/income-tax-rates