

## North Sea workers face tax bills

2008-09-28 16:15:10 by ginamc

**BBC** Thousands of North Sea workers could be in line for large tax bills, BBC Scotland



has learned.

It follows a ruling by Revenue and Customs (HMRC) officials that some vessels involved in offshore work should no longer be classed as ships.

As a result, workers on dive vessels and other vessels may no longer qualify for seafaring income tax concessions.

Unions have criticised the move, but the HMRC said it had a duty to ensure the law is applied correctly.

It is understood the tax liability has been back-dated to April 2007.

Vessels working in construction and construction support, well service and dive support will all be affected.

### **Urgent meeting**

However, pipe laying barges will continue to be considered a ship if they are involved solely in laying pipes. Other vessels will be considered on an individual basis.

Jake Molloy, of the OILC/RMT union, told BBC Scotland the new HMRC guidance on the law could cripple the dive support and remotely operated vehicle (ROV) industries.

He added: "It could be a damning blow for the ROV and dive support industry, in that they were able to attract people of a seafaring background to work in the industry because of this provision.

"Many of them now will see that attractiveness gone, and almost certainly we will see a move of many thousands of workers potentially moving back to other industries because they don't have to be away from home all this time to cover their tax."

Peter McEwen, deputy general secretary of the maritime union Nautilus UK, said the decision was "outrageous" and called for an urgent meeting with treasury officials.

He added that existing settlement was arranged in 1991 to safeguard British employment against cheaper foreign competition.

Aberdeen South MP Anne Begg said she was seeking a meeting with the chancellor over the matter, which she said meant those working on offshore support vessels could no longer claim a 100% deduction from income tax.

Ms Begg said she had been "taken aback" when she learned of the ruling that various vessels were no longer classified as being ships after being contacted by several concerned constituents who work offshore.

The original legislation did not intend that offshore support workers should be penalised in this way, she claimed.

Ms Begg added: "It is too early for me to hold out any hope that this can be changed, but certainly I will be lobbying the chancellor as hard as possible to get them to relook at it because I am fairly sure that this was not the intention of the government when the rules were set a few years ago."

An HMRC spokesman said: "Revenue and customs need to make sure the law is applied correctly - this matter went before the special commissioners."

The spokesman said Chancellor Alistair Darling would respond to the concerns in due course.

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