

Construction Industry Scheme (CIS)

Under the Construction Industry Scheme (CIS), [contractors](#) deduct money from a [subcontractor](#)'s payments and pass it to HM Revenue and Customs (HMRC).

The deductions count as advance payments towards the subcontractor's tax and National Insurance.

Contractors must register for the scheme. Subcontractors don't have to register, but deductions are taken from their payments at a higher rate if they're not registered.

If you're already registered as a contractor, you can [sign in to CIS online](#) to file your monthly returns or to verify a subcontractor.

Who counts as a contractor or subcontractor

[Register as a contractor](#) if either:

- you pay subcontractors for construction work
- your business doesn't do construction work but you spend an average of more than £1 million a year on construction in any 3-year period

[Register as a subcontractor](#) if you do construction work for a contractor.

You must register as both if you fall under both categories.

Work covered by CIS

CIS covers most construction work to:

- a permanent or temporary building or structure
- civil engineering work like roads and bridges

For the purpose of CIS, construction work includes:

- preparing the site, eg laying foundations and providing access works
- demolition and dismantling
- building work
- alterations, repairs and decorating
- installing systems for heating, lighting, power, water and ventilation
- cleaning the inside of buildings after construction work

Exceptions

You don't have to register if you only do certain jobs, including:

- architecture and surveying
- scaffolding hire (with no labour)
- carpet fitting
- making materials used in construction including plant and machinery
- delivering materials
- work on construction sites that's clearly not construction, eg running a canteen or site facilities

The [CIS guide for contractors and subcontractors](#) has more detail on what is and isn't covered by the scheme (published 31 March 2014 last updated by HMRC 13 November 2018).

<https://www.gov.uk/what-you-must-do-as-a-cis-contractor>