



Christy Wilson Shares Insight With News Services on UK Sports Broadcaster's Tax Victory

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Following a sports broadcaster's victory in a £4.9 million tax dispute with the United Kingdom's tax authority, HM Revenue & Customs (HMRC), Katten Tax associate Christy Wilson offered an overview of the court's opinion and the outlook of the highly publicized case. Christy's analysis was featured in full by the Global Payroll Association, and *EU Startup News* and *Reward Strategy* also highlighted select observations.

The case centered on Gary Lineker, a former footballer and current host of BB's "Match of the Day," and the tax bill that he allegedly owed on income received from the BBC and BT Sport during various periods. Lineker provided his services through a partnership (Gary Lineker Media) established with his former wife, and throughout the proceedings, he maintained that all taxes were properly remitted.

At the heart of the dispute was interpretation of the United Kingdom's IR 35 legislation, which was designed to deter tax avoidance by "disguised employees," who set up limited companies to funnel their earnings. In her overview of the case, Christy noted that the judge decided that IR 35 did not apply "because Gary Lineker signed the contracts, albeit as a partner in the partnership, that meant that there was a direct contract between" Lineker and the BBC/BT Sport.

"The judge also said that had only [Lineker's former wife] Danielle Bux signed the contracts, this would have meant that the partnership was entering into the agreements with the BBC/BT Sport, but that there would be no direct contracts between Gary Lineker and the BBC/BT Sport and as such the intermediary legislation would apply," Christy explained. "This seems an arbitrary result. It is an odd outcome to say that the IR 35 legislation would apply if one partner had signed the agreements, but the IR 35 legislation would not apply if another partner had signed the agreements – even though under partnership law, the other non-signing partner is equally bound by the agreements."

Christy further observed that, "arguably, it would make more sense for the court to construe the IR 35 legislation purposively and to say that it does not apply to situations where there is a contract

between the worker and client only and no other arrangements involving a third party. Otherwise the application of the IR 35 legislation to partnerships is dependent on which partners sign the agreement – surely not a satisfactory state of affairs. It is likely that HMRC may seek to appeal this decision on a point of law."

"[\[UK\] Gary Lineker Wins £4.9 Million Tax Battle With HMRC](#)," Global Payroll Association, March 30, 2023

"[Gary Lineker Triumphs in £4.9m Tax Battle With HMRC: What It Means for Partnerships](#)," *EU Startup News*, March 30, 2023

"[Gary Lineker Wins Tax Battle Against HMRC](#)," *Reward Strategy*, March 29, 2023

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