

*These notes refer to the Tax Credits Act 1999 (c.10)  
which received Royal Assent on 30 June 1999*

# **TAX CREDITS ACT 1999**

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## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS**

#### ***Schedule 5: Information***

*Paragraph 1* allows the Board of Inland Revenue to pool the information they hold for the purposes of their functions relating to tax credits, tax, national insurance contributions, statutory sick pay, statutory maternity pay and certain functions under Part III of the Pensions Schemes Act 1993 (and the corresponding Northern Ireland legislation).

*Paragraphs 2 and 3* provides for the mandatory exchange of information between the Inland Revenue and the Department of Social Security (and the Department of Health and Social Services for Northern Ireland). The information is that relating to WFTC/DPTC, and social security benefits, child support and war pensions.

*Paragraph 4* provides for the supply (one way route) of information by or under the authority of the Board of Inland Revenue to local authorities administering housing benefit or council tax benefit. The information is that relating to WFTC/DPTC and is for use in administering the benefits. Paragraph 4 also restricts the onward transmission of the information supplied by the Inland Revenue unless it is supplied to another authority or person authorised to exercise a function relating to the administration of the benefits or for the purposes of legal proceedings relating to Social Security Acts, or it is supplied back to the Inland Revenue under paragraph 5.

*Paragraph 5* provides for the mandatory provision of information by local authorities to the Board of Inland Revenue for their WFTC/DPTC functions. The information concerned is that which is relevant to functions relating to housing benefit or council tax benefit.

*Paragraph 6* inserts a reference to the Tax Credits Act into s.122 of the Social Security Administration Act 1992 (and corresponding provision for Northern Ireland in s.116 of the Social Security Administration (Northern Ireland) Act 1992). These provisions have been amended by the Social Security Contributions (Transfer of Functions) Act 1999. This makes it clear that the provisions in ss.122 and 116, which relate to the supply of tax information, are distinct from the provisions described above for the supply of information in relation to tax credits.

*Paragraph 7* amends s.110 of the Finance Act 1997 as amended by the Social Security Contributions (Transfer of Functions) Act 1999. Section 110 is a general provision concerning the supply of information to the Board of Inland Revenue and Customs by the Department of Social Security. The amendment is to make it clear that s.110 does not apply to information relating to tax credits or affect the provisions governing the supply of information by the Department of Social Security to the Inland Revenue for functions relating to WFTC/DPTC.