

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

TAX CREDITS ACT 1999

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Section 6: Payments of tax credits by employers

Section 6(1) establishes the responsibility of employers to make payments of tax credits awarded to their employees in accordance with regulations to be made by the Board.

Section 6(2) provides for regulations to be made relating to the making of these payments. In particular the regulations may require employers to:

- make payments of tax credits as notified by the Board of Inland Revenue
- produce wage sheets and other documentation to verify payments of tax credits;
- provide employees with information relating to the tax credits paid to them.

The regulations may also provide for:

- funding by the Board of employers, either before or after they pay the tax credit. The means by which this funding may be provided include set-off against income tax or national insurance for which the employer is accountable to the Board;
- recovery of overpayments of funding to employers;
- calculation and payment of interest on amounts due to or from the Board;
- appeals relating to matters covered in the regulations.

Section 6(3) specifies that regulations made under this section may make provision for different cases and circumstances. The regulations will be made by statutory instrument which will be subject to the negative resolution procedure.

Section 6(4) provides that the section is to come into force on 6 April 2000. Although the WFTC and DPTC will be introduced in October 1999, payment by employers will not begin until April 2000. This will give employers time to make the necessary adjustments to their payroll systems.