

*These notes refer to the Tax Credits Act 2002  
(c.21) which received Royal Assent on 8 July 2002*

# **TAX CREDITS ACT 2002**

---

## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS**

#### **Part 1: Tax Credits**

#### ***Section 29: Recovery of overpayments***

127. This section sets out the framework for recovering overpayments of tax credits. It provides that a notice must be given to the person who is liable to repay the overpayment, setting out the amount to be repaid and the manner in which it is to be repaid. The section provides for the Board to decide whether an overpayment is to be repaid by:

- direct payment within 30 days (*subsection (3)*);
- reducing subsequent awards of tax credits made to the person who is liable to repay (*subsection (4)*); or
- for PAYE taxpayers, treating the overpayment as an amount of tax due and payable which is to be recovered through PAYE as if it were an underpayment of tax for the previous tax year (*subsection (5)*).