



Tax Credits Act 2002

2002 CHAPTER 21

[^{F1}PART 1

TAX CREDITS

Penalties

[^{F1}31 **Incorrect statements etc.**

- (1) Where a person fraudulently or negligently—
 - (a) makes an incorrect statement or declaration in or in connection with a claim for a tax credit or a notification of a change of circumstances given in accordance with regulations under section 6 or in response to a notice under section 17, or
 - (b) gives incorrect information or evidence in response to a requirement imposed on him by virtue of section 14(2), 15(2), 16(3), 18(10) or 19(2) or regulations under section 25 [^{F2} or in response to a notification under section 21A(5)],a penalty not exceeding £3,000 may be imposed on him.
- (2) Where a person liable to a penalty under subsection (1) is a person making, or who has made, a claim for a tax credit for a period jointly with another and the penalty is imposed—
 - (a) under paragraph (a) of that subsection in respect of the claim, a notification relating to the tax credit claimed or a notice relating to the tax credit awarded on the claim, or
 - (b) under paragraph (b) of that subsection in respect of a requirement imposed on him with respect to the tax credit for the period,a penalty of an amount not exceeding £3,000 may be imposed on the other person unless subsection (3) applies.
- (3) This subsection applies if the other person was not, and could not reasonably have been expected to have been, aware that the person liable to the penalty under subsection (1)

Changes to legislation: Tax Credits Act 2002, Section 31 is up to date with all changes known to be in force on or before 08 May 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

had fraudulently or negligently made the incorrect statement or declaration or given the incorrect information or evidence.

- (4) Where penalties are imposed under subsections (1) and (2) in respect of the same statement, declaration, information or evidence, their aggregate amount must not exceed £3,000.
- (5) Where a person acts for another—
- (a) in or in connection with a claim or notification referred to in subsection (1), or
 - (b) in response to a notice so referred to,
- subsection (1) applies to him (as well as to any person to whom it applies apart from this subsection).]

Textual Amendments

- F1** Pt. 1 repealed (1.2.2019 with savings in relation to specified cases in [art. 3](#) of the commencing S.I.) by [Welfare Reform Act 2012 \(c. 5\)](#), s. 150(3), [Sch. 14 Pt. 1](#); S.I. 2019/167, arts. 2, 3
- F2** Words in s. 31(1)(b) inserted (6.4.2014) by [The Tax Credits, Child Benefit and Guardian's Allowance Reviews and Appeals Order 2014 \(S.I. 2014/886\)](#), arts. 1(1), [2\(9\)](#) (with art. 1(5))
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Commencement Information

- I1** S. 31 wholly in force at 6.4.2003; s. 31 not in force at Royal Assent, see s. 61; s. 31 in force for certain purposes at 1.8.2002 and 1.1.2003 and otherwise in force at 6.4.2003 by [S.I. 2002/1727](#), [art. 2](#)

Changes to legislation:

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Changes and effects yet to be applied to :

- specified provision(s) amendment to earlier commencing SI 2003/962 by [S.I. 2008/3151 art. 3\(2\)](#) (art. 3(2) revoked (14. 7.2014) by S.I. 2014/1848)
- specified provision(s) amendment to earlier commencing SI 2003/962 art. 2(5) by [S.I. 2011/2910 art. 2](#) (Order revoked (14. 7.2014) by S.I. 2014/1848)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 35(2)-(12) substituted for s. 35(2) by [2012 c. 5 s. 124](#)
- s. 35(9) words substituted by [2020 c. 17 Sch. 24 para. 443\(1\)](#) (This amendment not applied to legislation.gov.uk. The substitution of s. 35(2)-(12) for s. 35(2) by 2021 c. 5, s. 124 is not yet in force)
- s. 36(10) words repealed by [2012 c. 5 Sch. 14 Pt. 12](#)