

*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 33: Failure by employers to make correct payments

133. This section sets out the penalties that may be imposed on employers if they fail to comply with their obligations to make payments under regulations made under section 25. Where the employer refuses or repeatedly fails to pay tax credits to employers in accordance with regulations and the Board therefore have to make the payments, the employer is liable to a penalty of up to £3,000. Similarly, a penalty of up to £3,000 may be imposed where, by reason of his fraud or neglect, the employer pays the wrong amount of tax credit to an employee for a tax year. Only one of these penalties can be imposed on an employer in respect of an employee.