

TAX CREDITS ACT 2002

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 1: Tax Credits

Section 6: Notifications of changes of circumstances

47. **Section 6** sets out the arrangements for the notification to the Board of changes of circumstances affecting people's entitlement to tax credits.
48. Regulations may provide that a change that increases the maximum rate of entitlement to a tax credit takes effect only once the Board has been told about it (*subsection (1)*). *Subsection (2)* provides that regulations may allow for the notification of a change to be treated as having been made earlier or later than it actually was and for notification to be made for a period after it is given. Regulations may also allow for a change in the tax credit award to be made contingent on the requirements for entitlement to the amended award being met when the amendment takes effect. This follows the approach taken to claims in section 4.
49. **Section 6** also allows regulations to be made requiring claimants to notify the Board where there is a change of circumstances of a prescribed description which may reduce the rate of entitlement to a tax credit or bring entitlement to an end (*subsection (3)*).
50. The section also allows for regulations to make provision about how and when a notification of a change should be given and about who may be entitled, or required, to notify a change. The regulations may also set out the circumstances in which one person can act for another in relation to a notification (*subsection (4)*).