

TAX CREDITS ACT 2002

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 1: Tax Credits

Section 9: Maximum rate

62. **Section 9** provides for regulations to be made setting out the elements making up the child tax credit. The section provides that child tax credit must include an element available to everyone entitled to child tax credit and an element for each child or young person that the claimant is or claimants are responsible for. The first of these elements is known as the “family element” and the latter as the “individual element”. The individual element must be a higher amount for a child or young person with a disability and higher again for a child or young person with a severe disability. Regulations may set out the criteria for deciding whether a child or young person is disabled or severely disabled.
63. The section allows for regulations to set out other elements of child tax credit. Regulations may also provide for the family element to differ according to the age of children in the family, or other factors, or for the amount of the individual element to vary according to the age of the child or young person, or other factors.
64. If regulations under section 8(2) about the circumstances in which a person is, or is not, responsible for a child or qualifying young person, mean that more than one claimant (other than the partners in a couple) is entitled to child tax credit in respect of the same child or young person, regulations under this section may provide, in effect, for entitlement to child tax credit to be divided between them.