

1974 No. 2102
INCOME TAX
The Income Tax (Employments) (No. 2) Regulations 1974

Made - - - - - 13th December 1974

Laid before the House of Commons 20th December 1974

Coming into Operation - - - 6th April 1975

The Commissioners of Inland Revenue, in exercise of the powers conferred upon them by section 204 of the Income and Corporation Taxes Act 1970 (a) hereby make the following Regulations:—

1.—(1) These Regulations may be cited as the Income Tax (Employments) (No. 2) Regulations 1974, and shall come into operation on 6th April 1975.

(2) The Interpretation Act 1889 (b) shall apply for the interpretation of these Regulations as it applies for the interpretation of an Act of Parliament.

(3) In these Regulations the expression “the Principal Regulations” means the Income Tax (Employments) Regulations 1973 (c).

2. Regulation 2(1) of the Principal Regulations shall be varied by deleting the definitions of “graduated contributions” and “gross emoluments” and inserting the following definition after the definition of “deduction card”:—

“ ‘earnings-related contributions’ means Class 1 contributions payable under section 2 of the Social Security Act 1973” (d).

3. Regulation 8(2) of the Principal Regulations shall be varied by adding at the end of sub-paragraph (b) the words:—“or

(c) the Inspector has reason to believe that the employee will be entitled to a deduction under paragraph 1 of Schedule 2 to the Finance Act 1974 (e) in a case falling within sub-paragraph (3) of that paragraph.”

(a) 1970 c. 10.

(b) 1889 c. 63.

(c) S.I. 1973/334 (1973 I, p. 1147).

(d) 1973 c. 38.

(e) 1974 c. 30

4. Regulation 20(6) of the Principal Regulations shall be varied by deleting sub-paragraphs (b) and (c).

5. Regulations 20 and 30 of the Principal Regulations shall have effect as regards payments of emoluments made on or after 6th April 1975 as if for any reference to a rate of more than £11.50 a week there were substituted a reference to a rate of more than £12 a week, and as if for any reference to a rate of more than £50 a month there were substituted a reference to a rate of more than £52 a month.

6. Regulation 25(1) of the Principal Regulations shall be varied by deleting the words "the total of the gross emoluments paid by the employer to the employee during the year and".

7. Regulation 26(2) of the Principal Regulations shall be varied by deleting the words "graduated contributions" and substituting the words "earnings-related contributions".

8. Regulation 30(1) of the Principal Regulations shall be varied by deleting the words "and the total amount of gross emoluments".

9. Regulation 30(2) of the Principal Regulations shall be varied by inserting after the words "prepared by the employer under the provisions of" the words "paragraph (2) of Regulation 16 or".

10. Regulation 30(6) of the Principal Regulations shall be varied by deleting the words "is he" and substituting the words "he is".

11. Regulation 35 of the Principal Regulations shall be varied by deleting from the definition of wages the words "and 'gross wages' means wages before the deduction of allowable superannuation contributions".

12. Regulation 40 of the Principal Regulations shall be varied by deleting the word "emoluments" in sub-paragraph (c) and substituting the word "wages", and by deleting sub-paragraph (f).

By Order of the Commissioners of Inland Revenue.

J. H. Gracey,
Secretary.

13th December 1974.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations amend the Income Tax (Employments) Regulations 1973. They provide for raising the limit of weekly or monthly pay above which an employer has to operate the Pay As You Earn scheme for every employee, to take into account the increased Income Tax allowances given in the Finance Act 1974 (Regulation 3). They also provide for Pay As You Earn to apply to the emoluments of employments the duties of which are performed wholly abroad where, following the Finance Act 1974, the emoluments are no longer assessable on the remittance basis, and make a number of minor and drafting amendments.

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