

1999 No. 2155

INCOME TAX

**The Income Tax (Employments) (Amendment No. 3)
Regulations 1999**

Made - - - - - 29th July 1999

Laid before the House of Commons 29th July 1999

Coming into force 19th August 1999

The Commissioners of Inland Revenue, in exercise of the powers conferred on them by section 203 of the Income and Corporation Taxes Act 1988(a), hereby make the following Regulations:

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Income Tax (Employments) (Amendment No. 3) Regulations 1999 and shall come into force on 19th August 1999.

(2) Regulations 8 to 14 shall have effect in relation to the year 1999–00 and subsequent years of assessment.

(3) Regulations 15 to 17 shall have effect in relation to the year of assessment 2000–01.

(4) Regulations 18 and 19 shall have effect in relation to the year 2000–01 and subsequent years of assessment.

(5) Regulations 20 to 24 shall have effect in relation to the year 2001–02 and subsequent years of assessment.

Interpretation

2. In these Regulations “the principal Regulations” means the Income Tax (Employments) Regulations 1993(b) and “regulation” means a regulation of the principal Regulations.

Amendments to the principal Regulations

3. In regulation 7(2) after sub-paragraph (a) there shall be inserted the following sub-paragraph—

“(aa) where the code is determined before the beginning of the year for which it is to have effect, any proposed alteration of alterations in the rates for that year of any of the reliefs referred to in sub-paragraph (a);”.

4. In regulations 10(2) and 12(3) after the words “an alteration or alterations” there shall be inserted the words “, or proposed alteration or alterations,”.

5. In regulation 13(4) after the word “change” in each place in which it occurs there shall be inserted the words “, or proposed change,”.

(a) 1988 c. 1; section 203 was amended by section 128 of, and paragraph 4 of Schedule 3 to, the Finance Act 1988 (c. 39), section 45(3) of, and Part IV of Schedule 17 to, the Finance Act 1989 (c. 26), and paragraph 38 of Schedule 19, and Part V(23) of Schedule 26, to the Finance Act 1994 (c. 9).

(b) S.I. 1993/744, amended by S.I. 1993/2276, 1994/775 and 1212, 1995/216, 447, 853, 1223 and 1284, 1996/804, 980, 1312, 2381, 2554 and 2631, 1997/214, 1998/2484 and 1999/70 and 824.

6. In regulation 28(2)(a) for “50 pence” there shall be substituted “£1”.

7. In regulation 49(7) for the words “Parts IV, V and VI of the Management Act(a)” there shall be substituted the words “Part IV, Part V (other than section 55(b)), and Part VI, of the Management Act”.

Amendments to the principal Regulations having effect in relation to the year 1999–00 and subsequent years of assessment

8. In regulation 2(1) after the definition of “reliefs from income tax” there shall be inserted the following definition–

“ “starting rate” has the same meaning as in section 832(1) of the Taxes Act(c);”.

9. In regulation 29(2) and (3)(d) for the words “the rates referred to in regulation 8(4)” there shall be substituted the words “the starting rate, the basic rate and the higher rate”.

10. In regulation 30(2) and (3)(d) for the words “the rates referred to in regulation 8(4)” there shall be substituted the words “the starting rate, the basic rate and the higher rate”.

11. In regulation 32(d) for the words “the rates referred to in regulation 8(4)” there shall be substituted the words “the starting rate, the basic rate and the higher rate”.

12. In regulation 80F(2)(d)(e) for the words “the lower rate” in each place where they occur there shall be substituted the words “the starting rate”.

13. In regulation 84(7)(f) for the words “the rates referred to in regulation 8(4)” there shall be substituted the words “the starting rate, the basic rate and the higher rate”.

14. In regulation 98C(3)(g) for the words “the lower rate” there shall be substituted the words “the starting rate”.

Amendments to the principal Regulations having effect in relation to the year of assessment 2000–01

15. In regulation 10(2) for the words “sections 257 to 257F(h) or 259(i)” there shall be substituted the words “sections 257 and 257A”.

16. In regulation 12(3) for the words “sections 257 to 257F or 259” there shall be substituted the words “sections 257 and 257A”.

17. In regulation 13(4) for the words “sections 257 to 257F” there shall be substituted the words “sections 257 and 257A”.

(a) 1970 c. 9.

(b) Section 55 was substituted by section 45(1) of the Finance Act (No. 2) 1975 (c. 45) and the section as substituted was amended by section 68 of the Finance Act 1982 (c. 39), Part XIII of Schedule 23 to the Finance Act 1984 (c. 43), paragraph 8 of Schedule 29 to the Income and Corporation Taxes Act 1988 (c. 1), section 156(2) of the Finance Act 1989, section 104(2) of the Finance Act 1990 (c. 29), paragraph 18 of Schedule 19 to the Finance Act 1994, paragraph 9 of Schedule 1, and Part 1 of Schedule 2, to the General and Special Commissioners (Amendment of Enactments) Regulations 1994 (S.I. 1994/1813), and paragraph 28 of Schedule 19 to the Finance Act 1998 (c. 36).

(c) Relevant amendments were made to section 832(1) by section 22(10) of the Finance Act 1999 (c. 16).

(d) Amended by S.I. 1993/2276, regulation 5.

(e) Regulation 80F was inserted by S.I. 1996/2631, regulation 4.

(f) Amended by S.I. 1993/2276, regulation 5, and S.I. 1996/804, regulation 9.

(g) Regulation 98C was inserted by S.I. 1995/853, regulation 6.

(h) Sections 257 to 257F were substituted for section 257 by section 33 of the Finance Act 1988, and the sections as substituted were amended by section 33 and 57(4) of the Finance Act 1989, section 17(2) of, and Part IV of Schedule 19 to, the Finance Act 1990, section 33(4) of the Finance Act 1991 (c. 31), paragraphs 2 to 4 of Schedule 5 to the Finance (No. 2) Act 1992 (c. 48), section 107(3) of, and Part III(10) of Schedule 23 to, the Finance Act 1993 (c. 34), section 77(2) of, and paragraphs 1 to 5 of Schedule 8, paragraph 3 of Schedule 10, and Part V(1) to (3) and (17) of Schedule 26 to, the Finance Act 1994, paragraphs 13 to 16 of Schedule 20, paragraphs 4 and 5 of Schedule 21, and Part V(10) of Schedule 41, to the Finance Act 1996 (c. 8), and sections 25(3) and 30 to 33 of, and Part III(3) of Schedule 20 to, the Finance Act 1999.

(i) Section 259 was amended by section 30 of, and paragraph 5 of Schedule 3 to, the Finance Act 1988, paragraph 5 of Schedule 5 to the Finance (No. 2) Act 1992, section 77(3) of, and paragraph 6 of Schedule 8 to, the Finance Act 1994, paragraph 17 of Schedule 20, and Part V(10) of Schedule 41, to the Finance Act 1996, and section 26(1) and (2) of the Finance Act 1998, and the section was repealed with effect from the year 2000–01 by section 33 of, and Part III(4) of Schedule 20 to, the Finance Act 1999.

Amendments to the principal Regulations having effect in relation to the year 2000–01 and subsequent years of assessment

18. In regulation 98C(4) sub-paragraph (b) shall be revoked.
19. In regulation 98F(3)(a)–
- (a) for sub-paragraph (b) there shall be substituted the following sub-paragraph–
“(b) the relief specified in section 257A(2) of the Taxes Act (married couples allowance);”;
 - (b) sub-paragraph (d) shall be revoked.

Amendments to the principal Regulations having effect in relation to the year 2001–02 and subsequent years of assessment

20. In regulation 10(2) for the words “sections 257 to 257F or 259” there shall be substituted the words “sections 257, 257A and 257AA(b)”.
21. In regulation 12(3) for the words “sections 257 to 257F or 259” there shall be substituted the words “sections 257, 257A and 257AA”.
22. In regulation 13(4) for the words “sections 257 to 257F” there shall be substituted the words “sections 257, 257A and 257AA”.
23. In regulation 98C(4) after sub-paragraph (a) there shall be inserted–
“(aa) the relief specified in section 257AA(1) of the Taxes Act (children’s tax credit);”.
24. In regulation 98F(3) after sub-paragraph (c) there shall be inserted–
“(ca) the relief specified in section 257AA(1) of the Taxes Act;”.

29th July 1999

Nick Montagu
S C T Matheson
Two of the Commissioners of Inland Revenue

(a) Regulation 98F was inserted by S.I. 1995/853, regulation 6.
(b) Section 257AA was inserted by section 30 of the Finance Act 1999.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Income Tax (Employments) Regulations 1993 (S.I. 1993/744) (“the principal Regulations”).

Regulation 1 provides for citation, commencement and effect, and regulation 2 for interpretation.

Regulation 3 amends regulation 7(2) of the principal Regulations so that any proposed alteration or alterations in the rates of the reliefs from income tax are matters to which an inspector may have regard when determining a PAYE code before the beginning of the year for which it is to have effect.

Regulations 4 and 5 make consequential amendments to the principal Regulations in the light of the amendments to regulation 7(2) of the principal Regulations made by regulation 3 of these Regulations.

Regulation 6 amends regulation 28(2)(a) of the principal Regulations so that the minimum rate relevant to an employer making payment of emoluments to an employee in respect of whom there is no PAYE code authorisation is rounded to the nearest pound.

Regulation 7 amends regulation 49(7) of the principal Regulations so that section 55 of the Taxes Management Act 1970 does not apply to an appeal against a determination under regulation 49 of the principal Regulations.

Regulations 8 to 14 make amendments to the principal Regulations to take into account the replacement of the lower rate of income tax with the new starting rate of 10% introduced by sections 22 and 23 of the Finance Act 1999. The Regulations, like the new starting rate, have effect in relation to the year 1999–00 and subsequent years of assessment.

Regulations 15 to 19 make amendments to the principal Regulations so as to reflect the changes made by sections 31(2) to (5) and (8), 32(2) and 33 of the Finance Act 1999 to certain of the reliefs from income tax. These changes are the restriction of the married couple’s allowance under section 257A of the Income and Corporation Taxes Act 1988 (“the 1988 Act”) to couples where either spouse is aged 65 or upwards before 6th April 2000; the abolition of the transitional reliefs under sections 257D to 257F of the 1988 Act; and the abolition of the additional relief in respect of children under sections 259 and 261A of the 1988 Act. Regulations 15 to 17 has effect in relation to the year 2000–01, and regulations 18 and 19, like the changes they reflect, have effect in relation to that year and subsequent years of assessment.

Regulations 20 to 24 make amendments to the principal Regulations so as to take into account the introduction of the children’s tax credit under section 257AA of the 1988 Act (inserted by section 30 of the Finance Act 1999). The Regulations, like the new tax credit, have effect in relation to the year 2001–02 and subsequent years of assessment.

£1.50

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WO 5246 8/99 ON (MFK)