
STATUTORY INSTRUMENTS

2000 No. 2742

INCOME TAX

The Income Tax (Sub-contractors in the Construction Industry and Employments) (Amendment) Regulations 2000

<i>Made</i>	- - - -	<i>9th October 2000</i>
<i>Laid before the House of Commons</i>	- - - -	<i>9th October 2000</i>
<i>Coming into force</i>	- -	<i>10th October 2000</i>

The Commissioners of Inland Revenue, in exercise of the powers conferred upon them by sections 203 and 566 of the Income and Corporation Taxes Act 1988(1) hereby make the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Income Tax (Sub-contractors in the Construction Industry and Employments) (Amendment) Regulations 2000 and shall come into force on 10th October 2000.

Amendment of the Income Tax (Sub-contractors in the Construction Industry) Regulations 1993

2. In regulation 9(2) of the Income Tax (Sub-contractors in the Construction Industry) Regulations 1993(2) for the definition of N substitute—

“N is the amount which would be payable to the collector under the Social Security Contributions and Benefits Act 1992(3) and the Social Security (Contributions) Regulations 1979(4) or, in Northern Ireland, under the Social Security Contributions and Benefits (Northern Ireland) Act 1992(5) and the Social Security (Contributions) Regulations (Northern Ireland) 1979(6) disregarding—

-
- (1) 1988 c. 1. Section 203 has been amended. Relevant amendments are those made 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), paragraph 38 of Schedule 19, and Part V(23) of Schedule 26, to the Finance Act 1995 (c. 9). There are amendments to section 566 which are not relevant for the purposes of this instrument.
- (2) S.I. 1993/743. The relevant amending instrument is S.I. 2000/1151.
- (3) 1992 c. 4.
- (4) S.I. 1979/591.
- (5) 1992 c. 7.
- (6) S.R. 1979 No. 186.

- (a) any amount of secondary Class 1 contributions in respect of which liability has been transferred to the employed earner by virtue of an election made jointly by the employed earner and the secondary contributor for the purpose of paragraph 3B(1) of Schedule 1 to either the Social Security Contributions and Benefits Act 1992 or the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (transfer of liability to be borne by earner)⁽⁷⁾; and
- (b) any adjustment to the amount so payable to the collector under regulation 7(3) of the Tax Credits (Payments by Employers) Regulations 1999⁽⁸⁾ (funding of payment by relevant employer or relevant subsequent employer of tax credit);⁹.

Amendment of the Income Tax (Employment) Regulations 1993

3. In regulation 41(3) of the Income Tax (Employments) Regulations 1993⁽⁹⁾ for the definition of N substitute—

“N is the amount which would be payable to the collector under the Social Security Contributions and Benefits Act 1992 and the Social Security (Contributions) Regulations 1979, or, in Northern Ireland, under the Social Security (Contributions) and Benefits (Northern Ireland) Act 1992 and the Social Security (Contributions) Regulations (Northern Ireland) 1979 disregarding—

- (a) any amount of secondary Class 1 contributions in respect of which liability has been transferred to the employed earner by virtue of an election made jointly by the employed earner and the secondary contributor for the purposes of paragraph 3B(1) of Schedule 1 to either the Social Security Contributions and Benefits Act 1992 or the Social Security Contributions and Benefits (Northern Ireland) Act 1992; and
- (b) any adjustment to the amount so payable to the collector under regulation 7(3) of the Tax Credits (Payments by Employers) Regulations 1999 (funding of payment by relevant employer or relevant subsequent employer of tax credit);⁹.

*Tim Flesher
Ann Chant*

9th October 2000

Two of the Commissioners of Inland Revenue

(7) Paragraph 3B was inserted in Schedule 1 to the Social Security Contributions and Benefits Act 1992 by section 77(2) of the Child Support, Pensions and Social Security Act 2000 (c. 19), and inserted in Schedule 1 to the Social Security Contributions and Benefits (Northern Ireland) Act 1992 by section 81(2) of that Act.

(8) S.I. 1999/3219.

(9) S.I. 1993/744. The relevant amending instruments are S.I. 1995/743, 1999/824 and 2000/1152.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Income Tax (Sub-contractors in the Construction Industry) Regulations 1993 (S.I.1993/743) and the Income Tax (Employments) Regulations 1993 (S.I. 1993/744). The amendments made by regulations 2 and 3 substitute a new definition of “N” in the formulae to determine whether an employer is entitled to account, under those Regulations, to the Collector of Taxes quarterly for sums due in respect of income tax, National Insurance contributions, tax credits and student loan repayments. The new definition provides that, in addition to disregarding any adjustment to the amount payable to the collector in respect of the funding of tax credits by the employer, there shall also be disregarded any amount of secondary Class 1 contributions in respect of which liability has been transferred from the secondary contributor to the employed earner. Such a transfer of liability is possible under an election made jointly by the secondary contributor and the employed earner under paragraph 3B of Schedule 1 to the Social Security Contributions and Benefits Act 1992 or the Social Security Contributions and Benefits (Northern Ireland) Act 1992.

These Regulations contain provisions which are consequential on the Social Security (Contributions) (Amendment No. 10) Regulations 2000 and the Social Security (Contributions) (Amendment No. 10) (Northern Ireland) Regulations 2000.