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STATUTORY INSTRUMENTS

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**2003 No. 2682**

**The Income Tax (Pay As You Earn) Regulations 2003**

**PART 1**

**INTRODUCTION**

*Interpretation*

**Meaning of “code” etc**

- 7.—(1) In these Regulations, “code” means—
- (a) a combination of letters, numbers or both for use in accordance with the tax tables to establish free pay, additional pay, total free pay to date or total additional pay to date;
  - (b) any of the special codes (whether expressed in words or represented by a combination of letters, numbers or both) for use in accordance with the tax tables or otherwise.
- (2) “K code” means a code which gives rise to additional pay or total additional pay to date.
- (3) The special codes are—
- (a) the basic rate code, which effects deductions of tax wholly at the basic rate;
  - (b) the higher rate code, which effects deductions of tax wholly at the higher rate;
  - (c) the nil tax code, which requires no deductions of tax;
  - (d) the emergency code, which, after allowing for the relief specified in section 257(1) of ICTA(1) (personal allowance), effects deductions of tax at one or more of the starting rate, basic rate and higher rate, so that during the tax year the amounts subject to deductions at the various rates are in accordance with section 1(2) of ICTA(2);
  - (e) the emergency IB codes which, after allowing for the relief specified in—
    - (i) section 257(1) of ICTA (personal allowance), and
    - (ii) section 265(1) of ICTA(3) (blind person’s allowance), if claimed,effect deductions of tax at one or both of the starting rate and basic rate, so that during the tax year the amounts subject to deductions at the various rates are in accordance with section 1(2) of ICTA.

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(1) Section 257 was substituted by section 33 of the Finance Act 1988 (c. 39).  
(2) Section 1(2) was amended by section 24(2) of the Finance Act 1988, section 9(2) and (3) of the Finance Act 1992 (c. 20) and section 22(1) of the Finance Act 1999 (c. 16).  
(3) Section 265 was substituted by paragraph 8 of Schedule 3 to the Finance Act 1988, and subsection (1) was amended by paragraph 19 of Schedule 20 to the Finance Act 1996 (c. 8).