
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Income Tax (Incentive Payments for Voluntary Electronic Communications of PAYE Incentive Returns) Regulations 2003 (S.I. 2003/2495).

Regulation 1 provides for the citation and commencement of these Regulations and for the effect of certain of the amendments.

Regulation 2 introduces the amendments.

Regulation 3 amends regulation 1 of the 2003 Regulations, inserting a new definition of “the PAYE Regulations” and extending the concept of a person who is treated as paying PAYE income.

Regulations 4 and 5 respectively amend regulations 2 and 3 of the 2003 Regulations to replace references to the Income Tax (Employments) Regulations 1993 (“the old PAYE Regulations”) with references to the corresponding provisions of the Income Tax (Pay as You Earn) Regulations 2003 (“the new PATE Regulations”).

Regulation 6 makes similar replacements of references to provisions in the new PAYE Regulations for references to provisions of the old PAYE Regulations in regulation 4 of the 2003 Regulations. It also adds a new paragraph (2A) in regulation 4, which provides that an incentive is not payable where a small employer has been established, employs employees or makes payments of PAYE income for an impermissible purpose. The new paragraph (2B) defines what is meant by a small employer being established, and “impermissible purpose”, and the new paragraph (2C) defines the meaning of “advantage”. It also inserts a new paragraph (3A) which provides that an officer of the Board may give a notice that a person will not be entitled to an incentive by reason of the operation of the new paragraph (2A).

Regulation 7 introduces a new regulation 4A, which prescribes the descriptions of incentives which may be provided, and how they are to be provided.

Regulation 8 amends regulation 6 to ensure that decisions cannot be the subject of more than one appeal and that notices of appeal must be in writing.

These Regulations do not impose new costs on business.