
STATUTORY INSTRUMENTS

2022 No. 227

The Income Tax (Pay As You Earn) and the Income Tax (Construction Industry Scheme) (Amendment) Regulations 2022

Amendment of the Income Tax (Pay As You Earn) Regulations 2003

3. After regulation 65 insert—

“Relief from income tax on PAYE income: information about deductible expenses

65A.—(1) This regulation applies if, in relation to a tax year(1)—

- (a) an employee(2) is entitled to relief from income tax(3) in consequence of deductions allowed under Chapter 2 of Part 5 of ITEPA(4) (deductions for employee’s expenses) (“the deductible expenses”),
- (b) the total amount of the deductible expenses for that employee in respect of all employments in that tax year does not exceed £2,500, and
- (c) the employee has not been given a notice under section 8 of TMA(5) (personal return) or delivered a purported return within section 12D of TMA(6) (returns made otherwise than pursuant to a notice) for the tax year to which the deductible expenses relate.

(2) For the purposes of paragraph (1)(c), a notice under section 8 of TMA is treated as not having been given to an employee if that notice has been withdrawn in accordance with section 8B(7) of that Act (withdrawal by HMRC of notice under section 8 or 8A).

(3) Without prejudice to section 711 of ITEPA(8) (right to make a return), the employee may notify HMRC of the deductible expenses by providing specified information relating to those expenses to HMRC in accordance with this regulation.

(4) For the purposes of paragraph (3), the specified information in relation to each tax year is the nature and amount of each of the deductible expenses incurred in respect of each of the employee’s employments.

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- (1) Regulation 2 of the PAYE Regulations defines “tax year” as a year for which any Act provides for income tax to be charged.
 - (2) Regulation 2 of the PAYE Regulations provides that “employment”, for the purposes of Chapter 5 of Part 2 and subject to regulations 10 to 12, has the meaning given in sections 4 and 5 of ITEPA; and that “employer” and “employee” have corresponding meanings. Section 712(1) of ITEPA further provides that, in Part 11 of that Act (which includes s684 ITEPA, under which the PAYE Regulations and these Regulations are made), “employee” means a person who holds or has held employment with another person.
 - (3) Regulation 2 of the PAYE Regulations provides that “reliefs from income tax” includes allowances and deductions.
 - (4) Regulation 2 of the PAYE Regulations defines “ITEPA” as “the Income Tax (Earnings and Pensions) Act 2003”.
 - (5) Regulation 2 of the PAYE Regulations provides that “TMA” means the Taxes Management Act 1970 (c. 9). Section 8 of TMA was substituted by section 90(1) of the Finance Act 1990 (c. 29) and amended by sections 178(1) and 199(1) of the Finance Act 1994 (c. 9), section 104 of the Finance Act 1995 (c. 4), section 121(1)-(3) of the Finance Act 1996 (c. 8), section 88 of, and Part 5 of Schedule 27 to, the Finance Act 2007 (c. 11), paragraphs 11 and 12 of Schedule 7 to the Taxation (International and Other Provisions) Act 2010 (c. 8) and paragraph 51(1) and (2) of Schedule 1 to the Finance Act 2016 (c. 24).
 - (6) Section 12D was inserted by section 87(1) of the Finance Act 2019 (c. 1).
 - (7) Section 8B of TMA was inserted by paragraphs 1 and 3 of Schedule 51 to the Finance Act 2013 (c. 29) and amended by section 169(1)-(5) of the Finance Act 2016.
 - (8) Section 711 was amended by paragraph 102(1) of Schedule 4 to CRCA and paragraph 49 of Schedule 39 to the Finance Act 2008 (c. 9).

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

- (5) The specified information must be provided in the form and manner given in a direction made by the Commissioners for Her Majesty’s Revenue and Customs for this purpose.
- (6) A direction made under paragraph (5) may also—
- (a) authorise, or specify a requirement for, the delivery of information by an approved method of electronic communication⁽⁹⁾, and
 - (b) where such a requirement is specified, specify the persons required to deliver information to HMRC by the approved method of electronic communication.
- (7) The specified information cannot be provided more than 4 years after the end of the tax year to which the information relates.”.

(9) Regulation 2 of the PAYE Regulations provides that “approved method of electronic communications” has the meaning given in regulation 189 of the PAYE Regulations.