

*These notes refer to the Tax Credits Act 2002  
(c.21) which received Royal Assent on 8 July 2002*

# **TAX CREDITS ACT 2002**

---

## **EXPLANATORY NOTES**

### **OVERVIEW OF THE ACT**

#### ***Supplementary provisions***

39. **Part 3** (sections 58 to 70 and Schedules 5 and 6) make supplementary provisions, principally:
- section 58 enables DWP (in Northern Ireland, DSD) to carry out functions relating to claims for new tax credits, child benefit and guardian's allowance, on behalf of the Inland Revenue;
  - section 59, and Schedule 5, allow for exchanges of information within the Inland Revenue for the purposes of considering claims to the new tax credits, child benefit or guardian's allowance or for other functions exercised by the Inland Revenue. They also provide for exchanges of information relating to tax credits, child benefit and guardian's allowance between the Inland Revenue and other authorities administering certain benefits, for the purposes of new tax credits, child benefit and guardian's allowance, and to assist other Departments and the devolved administrations in the exercise of their functions (for example, social security functions in the case of DWP);
  - section 60 introduces Schedule 6, which makes consequential repeals;
  - section 61 deals with commencement of the provisions of the Act;
  - section 62 allows the Treasury, by order, to make transitional provisions and savings in connection with the commencement of the provisions of the Act. The Secretary of State for Work and Pensions (in Northern Ireland, DSD) may, by order, make transitional provisions and savings in relation to CDIs, since CDIs remain the responsibility of DWP and DSD;
  - as discussed above in relation to sections 38 and 39, section 63 makes transitional provision for tax credits appeals by claimants and certain related matters. Until a day appointed by the Treasury by order, such appeals are to be heard by tribunals constituted under relevant social security legislation (with further appeals to the Social Security Commissioner), rather than by the General or Special Commissioners (with further appeals to the High Court). Such transitional arrangements also apply to the function of giving a direction to the Inland Revenue under section 19(10) to complete an enquiry and to penalty proceedings under paragraph 3 of Schedule 2.
  - section 64 amends the Northern Ireland Act 1998 so that matters relating to the new tax credits, child benefit and guardian's allowance can be dealt with on a UK-wide basis;
  - section 65 sets out the powers of the Treasury and the Inland Revenue to make regulations under the Act by statutory instrument and section 66 makes provision about the Parliamentary control of statutory instruments.