Tax Credits Act 2002

2002 CHAPTER 21

PART 1

TAX CREDITS

Penalties

31 Incorrect statements etc.

(1) Where a person fraudulently or negligently—

(a) makes an incorrect statement or declaration in or in connection with a claim for a tax credit or a notification of a change of circumstances given in accordance with regulations under section 6 or in response to a notice under section 17, or

(b) gives incorrect information or evidence in response to a requirement imposed on him by virtue of section 14(2), 15(2), 16(3), 18(10) or 19(2) or regulations under section 25,

a penalty not exceeding £3,000 may be imposed on him.

(2) Where a person liable to a penalty under subsection (1) is a person making, or who has made, a claim for a tax credit for a period jointly with another and the penalty is imposed—

(a) under paragraph (a) of that subsection in respect of the claim, a notification relating to the tax credit claimed or a notice relating to the tax credit awarded on the claim, or

(b) under paragraph (b) of that subsection in respect of a requirement imposed on him with respect to the tax credit for the period,

a penalty of an amount not exceeding £3,000 may be imposed on the other person unless subsection (3) applies.

(3) This subsection applies if the other person was not, and could not reasonably have been expected to have been, aware that the person liable to the penalty under subsection (1)

had fraudulently or negligently made the incorrect statement or declaration or given the incorrect information or evidence.

(4) Where penalties are imposed under subsections (1) and (2) in respect of the same statement, declaration, information or evidence, their aggregate amount must not exceed £3,000.

(5) Where a person acts for another—

(a) in or in connection with a claim or notification referred to in subsection (1), or

(b) in response to a notice so referred to,

subsection (1) applies to him (as well as to any person to whom it applies apart from this subsection).