

INCOME TAX (EARNINGS AND PENSIONS) ACT 2003

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Regulations of Commissioners of Inland Revenue

“2(1) The Commissioners of Inland Revenue shall make regulations with respect to the assessment, charge, collection and recovery of income tax in respect of emoluments to which this Act applies, being tax for the year 1944-45 or any subsequent year, and those regulations may, in particular, include provision—

- (a) for requiring any person making any payment of, or on account of, any such emoluments, when he makes the payment, to make a deduction or repayment of income tax calculated by reference to tax tables prepared by the Commissioners of Inland Revenue, and for rendering persons who are required to make any such deduction or repayment accountable to, or, as the case may be, entitled to repayment from, those Commissioners;
- (b) for the production to and inspection by persons authorised by those Commissioners of wages sheets and other documents and records for the purpose of satisfying themselves that income tax has been and is being deducted, repaid and accounted for in accordance with the regulations;
- (c) for the collection and recovery, whether by deduction from emoluments paid in any later year or otherwise, of income tax in respect of emoluments to which this Act applies which has not been deducted or otherwise recovered during the year;
- (d) for the assessment and charge of tax by the surveyor in respect of emoluments to which this Act applies; and
- (e) for appeals with respect to matters arising under the regulations which would otherwise not be the subject of an appeal,

and any such regulations shall have effect notwithstanding anything in the Income Tax Acts:

Provided that the said regulations shall not affect any right of appeal to the General or other Commissioners which a person would have apart from the regulations.

- (2) The said tax tables shall be constructed with a view to securing that, so far as possible—
 - (a) the total tax payable in respect of any emoluments assessable under Schedule E for any year of assessment is deducted from the emoluments paid during that year; and
 - (b) the tax deductible or repayable on the occasion of any payment of, or on account of, emoluments is such that the total net tax deducted since the beginning of the year of assessment bears to the total tax payable for the year the same proportion that the part of the year which ends with the date of the payment bears to the whole year.

*These notes refer to the Income Tax (Earnings and Pensions)
Act 2003 (c.1) which received Royal Assent on 6th March 2003*

In this subsection the references to the total tax payable for the year shall be construed as references to the total tax, other than surtax, estimated to be payable for the year in respect of the emoluments, subject to a provisional deduction for allowances and reliefs, and subject also, if necessary, to an adjustment for amounts overpaid or remaining unpaid on account of income tax in respect of emoluments to which this Act applies for any previous year (including any year previous to the year 1944-45).

For the purpose of estimating the total tax payable as aforesaid, it may be assumed in relation to any payment of, or on account of, emoluments, that the emoluments paid in the part of the year of assessment which ends with the making of the payment will bear to the emoluments for the whole of that year the same proportion as that part of the year bears to the whole year.

2728. The scope of PAYE was then further extended, before the system had come into operation, by the [Income Tax \(Offices and Employments\) Act 1944 \(7&8 Geo. 6. \(1943-44\) c.12\)](#) to all emoluments assessable under Schedule E (other than those payable for the armed forces)