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

INCOME TAX (EARNINGS AND PENSIONS) ACT 2003

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Omitted material

Schedule 7: Transitionals and Savings

Part 2: Employment income: charge to tax

Paragraph 8

3651. Section 202A(2)(a) of ICTA states that the provisions determining what emoluments are chargeable in a particular year apply "whether or not the emoluments are for that year or for some other year of assessment". The charging provisions in Chapters 4 and 5 of Part 2 of this Act give effect to this statement in the various sections determining taxable earnings in a tax year.

3652. This paragraph ensures that where those charging provisions apply to general earnings for "some other tax year" the reference to some other tax year can include years before 2003-04.

3653. *Sub-paragraphs (3)* and *(4)* derive from the transitional provisions in sections 36 and 39 of FA 1989 which amended Case III of Schedule E as well as inserting paragraph (4A) into section 19(1) of ICTA. They preserve continuity of tax treatment for any general earnings for a tax year before 1989-90 that are remitted to the UK in 2003-04 or later if those earnings would have been within Case III of Schedule E before it was amended in FA 1989.

Paragraphs 9 to 11

3654. A claim to relief for delayed remittances made under section 35 could include delayed remittances relating to earnings for tax years before 2003-04 and the claimant may elect under section 36 to have those delayed remittances attributed to particular earlier years. Paragraphs 9 to 11 deal with the fact that this Act changes the terminology used to describe the income making up the delayed remittances and the charge to tax on them.

Paragraph 12

3655. This paragraph deals with the treatment of disputes as to domicile or ordinary residence which arise after the commencement of this Act, but which relate to income to be charged to tax in the tax year 2002-03 or any earlier tax year. The effect of this transitional is that such disputes will be governed by section 207 of ICTA, and not by sections 42 and 43 of this Act.

Paragraph 13

3656. This paragraph sets out how the provisions in Chapter 7 of Part 2 should be read in relation to times before 6 April 2003, by reference to the ICTA terminology rather than the language of this Act.

Paragraph 14

3657. This paragraph reflects the fact that the changes made to the treatment of construction industry workers in section 134 of ICTA by section 55 of FA 1998 only have effect with regard to payments for services provided on or after 6 April 1998.