

*These notes refer to the Income Tax Act 2007 (c.3)
which received Royal Assent on 20 March 2007*

INCOME TAX ACT 2007

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 15: Deduction of income tax at source

Overview

Chapter 16: Collection: certain payments by other persons

Overview

2939. This Chapter provides the main collection procedure for income tax deducted at source by persons other than those catered for by Chapter 15.

Section 963: Collection of income tax on certain payments by other persons

2940. This section is based on section 350 of ICTA.

2941. The source legislation makes payers “assessable and chargeable”. But charging a payment is a step that many other collection mechanisms for income tax deducted at source, such as PAYE, do not use. This charge to tax has been removed to bring this provision into line with parallel collection mechanisms. See *Change 147* in Annex 1.

2942. *Subsection (2)* requires the payer to give details of the payment to an officer of Revenue and Customs. There is no authorised return form on which the details are to be supplied. The subsection also requires the account of the payment to be delivered “without delay”. This corresponds to “forthwith” in the source legislation.

2943. Section 350(2) of ICTA has not been rewritten. That subsection makes provision about the cases in which a payment is, or is not, made out of taxed income, in order to impose a duty on the Crown to deduct income tax in appropriate cases. It was introduced by section 39 of FA 1960 to deal with a lacuna which came to light in *CIR v Whitworth Coal Co Ltd* (1959), 38 TC 531 HL. Under the approach adopted in relation to the provisions about charges on income (see *Change 81* in Annex 1), it is no longer necessary.