

## 1978 No. 326

## INCOME TAX

**The Income Tax (Employments) (No. 7) Regulations 1978**

|   |           |                        |
|---|-----------|------------------------|
| <i>Made</i>                             | - - - - - | <i>6th March 1978</i>  |
| <i>Laid before the House of Commons</i> |           | <i>14th March 1978</i> |
| <i>Coming into Operation</i>            | - - -     | <i>6th April 1978</i>  |

The Commissioners of Inland Revenue, in exercise of the powers conferred upon them by section 204 of the Income and Corporation Taxes Act 1970(a), hereby make the following Regulations:—

**1.**—(1) These Regulations may be cited as the Income Tax (Employments) (No. 7) Regulations 1978, and shall come into operation on 6th April 1978.

(2) The Interpretation Act 1889(b) shall apply for the interpretation of these Regulations as it applies for the interpretation of an Act of Parliament.

(3) In these Regulations “the Principal Regulations” means the Income Tax (Employments) Regulations 1973(c) as amended(d).

**2.** Regulation 8(1A) of the Principal Regulations shall be varied by deleting the words “above the basic rate” and substituting the words “specified by him”.

**3.** Regulation 9 of the Principal Regulations shall be varied by inserting after the words “section 8” the words “or section 14”.

**4.** Regulation 11(2) of the Principal Regulations shall be varied by inserting after the words “section 8” the words “or section 14”.

**5.** Regulation 13(7) of the Principal Regulations shall be varied by—

- (a) deleting the words “or at a rate above the basic rate” and substituting the words “or at a rate specified by him”;
- (b) deleting the words “or rate above the basic rate” and substituting the words “or rate specified by the Inspector”;
- (c) inserting after the words “deductible at a higher rate” the words “or at a rate specified by the Inspector”; and
- (d) deleting (in the proviso) the words “above the basic rate” and substituting the words “specified by the Inspector”.

---

(a) 1970 c. 10

(b) 1889 c. 63

(c) S.I. 1973/334

(d) The relevant amending Regulations are S.I. 1974/2102, 1975/728, 1976/381, 1976/950, 1977/700

6. Regulations 20 and 30 of the Principal Regulations shall have effect, as regards payments of emoluments made on or after 6th April 1978, as if for any reference to a rate of more than £15·50 a week there were substituted a reference to a rate of more than £18·50 a week, and as if for any reference to a rate of more than £68 a month there were substituted a reference to a rate of more than £80 a month.

7. Regulation 31 of the Principal Regulations shall be varied by deleting the words "and in addition" onwards and substituting the words—

“(d) any payments made such as give rise to a charge to tax under section 68 of the Finance Act 1976(a) (medical insurance);

and in addition, in the case of an employee who is employed in director's or higher-paid employment within the meaning of section 69 of the Finance Act 1976, particulars of:

- (e) any payments made by the employer to the employee by reason of his employment in respect of expenses;
- (f) any sums put by the employer at the disposal of the employee by reason of his employment and paid away by him; and
- (g) any benefits provided by the employer for the employee (or for any other person) by reason of his employment such as give rise to any charge to tax under sections 61 to 67 of the Finance Act 1976 (benefits from employment).”

By Order of the Commissioners of Inland Revenue.

*J. D. Taylor Thompson,*  
Secretary.

6th March 1978.

## EXPLANATORY NOTE

*(This Note is not part of the Regulations.)*

These Regulations, which come into operation on 6th April 1978, modify the Regulations relating to Income Tax under Pay As You Earn as follows:—

- (1) They add the personal relief allowable under section 14 of the Income and Corporation Taxes Act 1970 (additional relief for widows and others having single-handed responsibility for children) to the reliefs for which no notice of coding need be given to the employee when there is an alteration in the rate of the relief (Paragraphs 3 and 4 of the Regulations).
- (2) The Regulations relating to PAYE codes which specify such a rate of tax as will, so far as possible, result in the deduction of tax due on two sources of income from the one to which PAYE is applied are changed so that the rate specified may be any rate, not solely a rate above the basic rate (Paragraphs 2 and 5 of the Regulations). The existing Regulations authorise the use of these codes where the taxpayer has a second source of Schedule E income on which tax is due but cannot be collected by deduction at source (e.g. a National Insurance retirement pension).
- (3) The limit of weekly or monthly pay above which an employer has to operate the Pay As You Earn scheme for every employee is increased to take account of the increase in income tax allowances made in the Finance (Income Tax Reliefs) Act 1977 (Paragraph 6).
- (4) Regulation 31, relating to returns of expenses payments, benefits etc. required from employers at the end of the year is revised to take account of the changes introduced by Chapter II, Part III of the Finance Act 1976 (Paragraph 7).

SI 1978/326  
ISBN 0-11-083326-0

