
STATUTORY INSTRUMENTS

1984 No. 2008**INCOME TAX****The Income Tax (Sub-contractors in the Construction Industry)
(No. 2) Regulations 1984**

Made - - - - *20th December 1984*

*Laid before the
House of Commons* *21st December 1984*

Coming into Operation *1st February 1985*

The Commissioners of Inland Revenue, in exercise of the powers conferred on them by section 70 and Schedule 12 of the Finance (No. 2) Act 1975(a) and of all the powers enabling them in that behalf, hereby make the following Regulations:—

1. These Regulations may be cited as the Income Tax (Sub-contractors in the Construction Industry) (No. 2) Regulations 1984 and shall come into operation on 1st February 1985.

2. For paragraph 8 of each of the forms of guarantee prescribed by Schedule 2 to the Income Tax (Sub-contractors in the Construction Industry) Regulations 1982(b) there shall be substituted:—

“8. The liability of the Guarantor under this Guarantee shall not be impaired or discharged by reason of any time or other indulgence granted by the Commissioners or by reason of any arrangement entered into or composition accepted by the Commissioners modifying (by operation of law or otherwise) their rights and remedies in respect of the said tax or taxes or by any other act, omission or thing whatsoever whereby the Guarantor as surety or Guarantor only would have been so released or the liability of the Guarantor impaired.”

J. M. Green,
J. H. Gracey,
Two of the Commissioners
of Inland Revenue

20th December 1984.

(a) 1975 c.45; section 70 and Schedule 12 were amended by section 43 and Schedule 8 of the Finance Act 1980 (c.48) and further amended by section 47 and Schedule 8 of the Finance Act 1982 (c.39).
(b) S.I. 1982/1391.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations amend one paragraph in each of the two forms of bank Guarantee prescribed in the Income Tax (Sub-contractors in the Construction Industry) Regulations 1982, which enable a sub-contractor in the construction industry holding a certificate by reason of such a guarantee to obtain payments up to a specified limit without deduction. The new paragraphs 8 omit a provision previously included treating the guarantor bank as a principal debtor to the Revenue in respect of sums becoming due from the bank to the Revenue under the terms of the Guarantee. This provision was thought to raise technical accounting difficulties for the banks though the effect of the amended paragraph remains in substance unchanged.

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