
STATUTORY INSTRUMENTS

1993 No. 726

INCOME TAX

The Income Tax (Employments) (No. 25) Regulations 1993

<i>Made</i>	- - - -	<i>16th March 1993</i>
<i>Laid before the House of Commons</i>	- - - -	<i>16th March 1993</i>
<i>Coming into force</i>	- -	<i>6th April 1993</i>

The Commissioners of Inland Revenue, in exercise of the powers conferred on them by section 203 of the Income and Corporation Taxes Act 1988(1), hereby make the following Regulations:

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Income Tax (Employments) (No. 25) Regulations 1993, shall come into force on 6th April 1993 and, except for regulations 3 and 4, shall have effect on and after that date.

(2) Regulations 3 and 4 shall have effect with respect to codes for the year 1994–95 and subsequent years of assessment.

Interpretation

2. In these Regulations, “the principal Regulations” means the Income Tax (Employments) Regulations 1973(2) and, unless the context otherwise requires, “regulation” means a regulation of those Regulations.

Amendments to the principal Regulations

3. In regulation 6(3)—

- (a) in paragraph (2) for the words “paragraph (3)” there shall be substituted the words “paragraphs (3) and (5)”;
- (b) after paragraph (4) there shall be added—

(1) 1988 c. 1; section 203 was amended by section 128 of, and paragraph 4 of Schedule 3 to, the Finance Act 1988 (c. 39), and by section 45(3) of, and Part IV of Schedule 17 to, the Finance Act 1989 (c. 26), and extended by section 98A of the Taxes Management Act 1970 (c. 9) as inserted by section 165(1) of the Finance Act 1989.

(2) S.I.1973/334.

(3) Regulation 6 was substituted by S.I. 1981/44 and amended by S.I. 1992/3180.

“(5) Where under regulation 12(2)(b) and (3) a code is deemed to have been determined by the Inspector as the appropriate code for the following year, he shall not be obliged to issue a code authorisation to the employer for that year, but a code authorisation shall be deemed to have been issued by the Inspector specifying that code as the appropriate code for that year, and the employer shall act in accordance with sub-paragraphs (a) and (b) of paragraph (1) of this Regulation.”

4. For paragraph (2) of regulation 12(4) there shall be substituted—

“(2) Where there is a change in the rates of any of the personal reliefs allowable under sections 257 to 257F of the Income and Corporation Taxes Act 1988(5)—

- (a) if the change relates to the current year, the Inspector may give notice requiring the employer, with effect from the date specified in the notice, to amend specified codes as directed;
- (b) if the change relates to the following year, the Inspector may give notice requiring the employer to carry forward to the following year and adjust as directed specified codes for the current year.

(3) A code amended by virtue of sub-paragraph (a) of paragraph (2) in respect of the current year shall be the appropriate code for that year, and a code carried forward to the following year and adjusted by virtue of sub-paragraph (b) of paragraph (2) shall be deemed to have been determined by the Inspector as the appropriate code for that year, and in either case all the provisions of these Regulations which relate to objections and appeals against the Inspector’s determination, or to deduction of tax by reference to the appropriate code or to the specification of the appropriate code in any code authorisation, return or certificate, shall, with the necessary modifications, have effect accordingly.”

5. In regulation 18(6)—

- (a) in paragraph (3)(a) for the words “and the date on which the employment commenced” there shall be substituted the words “the date on which the employment commenced and the code in use by the employer in respect of the employee, if other than the code contained in the certificate,”;
- (b) in paragraph (4)(a) for “3” there shall be substituted “7”.

6. In regulation 20(7)—

- (a) in paragraph (1)(a) for the words “or (3)” there shall be substituted the words “, (3) or (5)”;
- (b) in paragraph (6)(b)(i) for “three” there shall be substituted “seven”;
- (c) in paragraph (6)(b)(ii) for “third” there shall be substituted “seventh”.

7. In regulation 55(6)(8) for “three” there shall be substituted “seven”.

(4) Regulation 12 was amended by S.I. 1981/44 and 1990/79.

(5) Sections 257 to 257F were substituted for section 257 by section 33 of the Finance Act 1988 (c. 39) and the sections as substituted were amended by sections 33 and 57(4) of the Finance Act 1989, section 17(2) of, and Part IV of Schedule 19 to, the Finance Act 1990 (c. 29), section 33(4) of the Finance Act 1991 (c. 31) and paragraphs 2 to 4 of Schedule 5 to the Finance (No. 2) Act 1992 (c. 48).

(6) Regulation 18 was amended by S.I. 1981/44, 1982/66, 1991/435 and 1992/3180.

(7) Regulation 20 was substituted by S.I. 1981/44 and amended by S.I. 1982/66 and 1992/3180.

(8) Regulation 55 was amended by S.I. 1991/435 and 1992/3180.

16th March 1993

L J H Beighton
C W Corlett
Two of the Commissioners of Inland Revenue

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Income Tax (Employments) Regulations 1973 (“the PAYE Regulations”). The amendments cover the following matters. First, as a consequence of the pending alteration in the annual date of the Budget, the Regulations change with effect from the year 1994–95 and subsequent years of assessment the procedure for notifying employers of amended codes for employees due to changes in the rates of personal reliefs announced in the Budget. Secondly, the Regulations amend the obligations on a new employer under the PAYE Regulations where the code for an employee differs from the code operated by the previous employer in respect of that employee. Thirdly, the Regulations extend the time within which a new employer or, in the case of an unemployed person, the Department of Employment has to take account of the code operated by a previous employer in respect of an employee.

Regulation 1 provides for citation, commencement and effect, and regulation 2 contains definitions.

Regulation 3 amends regulation 6 of the PAYE Regulations so as to provide that, where the Inspector gives notice to an employer under regulation 12(2) requiring him to carry forward to the following year of assessment and adjust codes as a result of changes in the rates of personal reliefs, a code authorisation shall be deemed to have been issued by the Inspector in respect of each such code specifying that code as the appropriate code.

Regulation 4 amends regulation 12 of the PAYE Regulations so as to provide that, where there is a change in the rates of personal reliefs for the following year of assessment, the Inspector may give notice to the employer requiring him to carry forward to the following year and adjust specified codes for the current year, which are then deemed to be the appropriate codes for the following year.

Regulations 5, 6 and 7 amend regulations 18, 20 and 55 respectively of the PAYE Regulations in relation to the obligations on new employers and the Department of Employment, while regulation 6 also makes a consequential amendment to regulation 20 following the amendment made by these Regulations to regulation 6 of the PAYE Regulations.