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STATUTORY INSTRUMENTS

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**1996 No. 981**

**INCOME TAX**

**The Income Tax (Sub-contractors in the Construction Industry) (Amendment) Regulations 1996**

<i>Made</i>	- - - -	<i>29th March 1996</i>
<i>Laid before the House of Commons</i>	- - - -	<i>29th March 1996</i>
<i>Coming into force</i>	- -	<i>19th April 1996</i>

The Commissioners of Inland Revenue, in exercise of the powers conferred on them by section 566(1) of the Income and Corporation Taxes Act 1988<sup>(1)</sup>, hereby make the following Regulations:

**1.**—(1) These Regulations may be cited as the Income Tax (Sub-contractors in the Construction Industry) (Amendment) Regulations 1996 and shall come into force on 19th April 1996.

(2) These Regulations have effect as respects cheques received on or after the day on which these Regulations come into force.

**2.** The Income Tax (Sub-contractors in the Construction Industry) Regulations 1993<sup>(2)</sup> shall be amended in accordance with regulations 3 to 5.

**3.** In regulation 10 the following paragraph shall be inserted at the end—

“(5) For the purposes of regulations 8 and 9<sup>(3)</sup> and of this regulation, where—

(a) any payment to the collector is made by cheque, and

(b) the cheque is paid on its first presentation to the banker on whom it is drawn,

the payment shall be treated as made on the day on which the cheque was received by the collector.”

**4.**—(1) The paragraph set out in paragraph (2) below shall be inserted—

(a) in regulation 13<sup>(4)</sup> after paragraph (7) as paragraph (7A); and

(b) in regulation 18 after paragraph (4) as paragraph (5).

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(1) 1988 c. 1.

(2) S.I. 1993/743; relevant amending instruments are S.I. 1995/217 and 448.

(3) Regulation 9 was amended by S.I. 1995/217.

(4) Regulation 13 was amended by S.I. 1995/448.

(2) The paragraph referred to in paragraph (1) above is—

“For the purposes of this regulation, where—

- (a) any payment to the collector is made by cheque, and
- (b) the cheque is paid on its first presentation to the banker on whom it is drawn, the payment shall be treated as made on the day on which the cheque was received by the collector.”

5. In regulation 17 the following paragraph shall be inserted at the end—

“(3) For the purposes of regulations 15 and 16 and of this regulation, where—

- (a) any payment to the collector is made by cheque, and
- (b) the cheque is paid on its first presentation to the banker on whom it is drawn, the payment shall be treated as made on the day on which the cheque was received by the collector.”

*A. M. W. Battishill*

*G. H. Bush*

29th March 1996

Two of the Commissioners of Inland Revenue

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations make amendments to the Income Tax (Sub-contractors in the Construction Industry) Regulations 1993 (S.I.1993/743) (“the principal Regulations”).

The amendments have been made against the background of the taking effect of section 70A of the Taxes Management Act 1970 (c. 9) (“section 70A”) (as inserted by paragraph 22 of Schedule 19 to the Finance Act 1994 (c. 9)). Section 70A has effect as respects cheques received on or after 6th April 1996; and provides that, for the purposes of the Taxes Management Act 1970 and the provisions mentioned in subsection (2) of that section, where a payment to an officer of the Board of Inland Revenue or to the Board is made by cheque, and the cheque is paid on its first presentation, the payment shall be treated as made on the day on which the cheque was received by the officer or the Board.

These Regulations amend the principal Regulations so as to make provision corresponding to that made by section 70A in the following cases, namely, payments of deductions imposed upon sub-contractors in the construction industry (regulations 8 to 10 of the principal Regulations), notices given where contractors have not paid the deductions to the collector (regulation 13 of the principal Regulations), interest on deductions which are unpaid or overdue (regulations 15 to 17 of the principal Regulations) and interest on amounts overpaid (regulation 18 of the principal Regulations).