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STATUTORY INSTRUMENTS

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**2003 No. 715**

**TAX CREDITS**

**The Working Tax Credit (Payment by Employers) (Amendment) Regulations 2003**

<i>Made</i>	- - - -	<i>13th March 2003</i>
<i>Laid before Parliament</i>		<i>14th March 2003</i>
<i>Coming into force</i>	- -	<i>6th April 2003</i>

The Commissioners of Inland Revenue, in exercise of the powers conferred upon them by sections 25(1) and (2), 65 and 67 of the Tax Credits Act 2002(1), hereby make the following Regulations:

**Citation, commencement and effect**

1.—(1) These Regulations may be cited as the Working Tax Credit (Payment by Employers) (Amendment) Regulations 2003 and shall come into force on 6th April 2003.

(2) These Regulations shall have effect in relation to payments of working tax credit for periods beginning on or after 6th April 2003.

**Interpretation**

2. In these Regulations “the principal Regulations” means the Working Tax Credit (Payment by Employers) Regulations 2002(2) and “regulation” means a regulation of the principal Regulations.

**Amendments to the principal Regulations**

3. Amend the principal Regulations as follows.

4. In regulation 2 (interpretation)—

- (a) omit the definition of “emoluments”;
- (b) in the definition of “pay period” for “emoluments are” substitute “PAYE income is”;
- (c) after the definition of “pay period” insert the following definition—

““PAYE income” has the meaning given by section 683 of the Income Tax (Earnings and Pensions) Act 2003(3);”.

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(1) 2002 c. 21. Section 67 is cited because of the meaning it ascribes to the word “prescribed”.

(2) S.I. 2002/2172.

(3) 2003 c. 1.

5. In regulation 3(1)(a) for “income assessable to income tax under Schedule E” substitute “PAYE income”.
6. In the following places for “emoluments” substitute “PAYE income”—
  - (a) regulation 4(2)(f);
  - (b) regulation 5(2)(f);
  - (c) regulation 6(1) (Step Two – twice);
  - (d) regulation 6(2);
  - (e) regulation 6(3) (Step Two – twice);
  - (f) regulation 6(4 ) and (5);
  - (g) regulation 6(11) (twice);
  - (h) regulation 7(1) (“amount A”, “amount B” and “amount C”);
  - (i) regulation 8(1)(b).
7. In regulation 6(8) at the end add “and the total amount of funding received from the Board for that year in accordance with regulation 8.”.
8. In regulation 12(2) at the end add—
  - “(e) the commencement date referred to in regulation 4(2)(d).”.
9. In regulation 13(5)(d) omit “or (as the case may be) regulation 5(2)(d)”.

13th March 2003

*Ann Chant*  
*Dave Hartnett*  
Two of the Commissioners of Inland Revenue

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## EXPLANATORY NOTE

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

These Regulations amend the Working Tax Credit (Payment by Employers) Regulations 2002 (S.I.2002/2172) (“the principal Regulations”) with effect in relation to payments of working tax credit for periods beginning on or after 6th April 2003.

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

Regulation 3 introduces the amendments to the Principal Regulations.

Regulations 4 to 6 ensure that references in the principal Regulations to an employee’s income accord with the Income Tax (Earnings and Pensions) Act 2003 (c. 1).

Regulation 7 amends regulation 6(8) of the principal Regulations so as to provide that an employer must record on the P35 return in respect of his employees for a year of assessment the total amount of funding he has received from the Board of Inland Revenue in that year to enable him to pay working tax credit to his employees.

Regulation 8 amends regulation 12(2) of the principal Regulations so as to provide that a notice issued by the Board of Inland Revenue directing an employer to stop paying working tax credit to an employee must contain a note of the earlier date from which the employer was responsible for commencing such payments to that employee.

Regulation 9 corrects a drafting error in regulation 13(5)(d) of the principal Regulations (particulars to be contained in an emergency stop notice).