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STATUTORY INSTRUMENTS

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**2007 No. 672**

**INCOME TAX**

**The Income Tax (Construction Industry Scheme) (Amendment) Regulations 2007**

<i>Made</i>	- - - -	<i>5th March 2007</i>
<i>Laid before the House of Commons</i>	- - - -	<i>5th March 2007</i>
<i>Coming into force</i>	- -	<i>26th March 2007</i>

The Commissioners for Her Majesty's Revenue and Customs<sup>(1)</sup> make the following Regulations in exercise of the powers conferred upon them by sections 60(7), 70 and 71 of the Finance Act 2004<sup>(2)</sup>.

**Citation and commencement**

1. These Regulations may be cited as the Income Tax (Construction Industry Scheme) (Amendment) Regulations 2007 and shall come into force on 26th March 2007.

**Amendment to the Income Tax (Construction Industry Scheme) Regulations 2005**

2. Amend the Income Tax (Construction Industry Scheme) Regulations 2005<sup>(3)</sup> as follows.

3.—(1) Amend regulation 10 (return and certificate if amount may be unpaid) as follows.

(2) In paragraph (1) for “A or B” substitute “A, B or C”.

(3) After paragraph (3) insert—

“(3A) Condition C is that—

(a) the contractor has made a return under regulation 4 showing the amount which the contractor is liable to pay under regulation 7 for that tax period, but

(b) the contractor has not paid the full amount shown in the return.”.

(4) In paragraph (4) at the beginning insert “If condition A or B is met”.

(5) In paragraph (5) for “If the notice extends to two” substitute—

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(1) The functions of the Commissioners of Inland Revenue were transferred to the Commissioners for Her Majesty's Revenue and Customs by section 5(2) of the Commissioners for Revenue and Customs Act 2005 (c. 11). Section 50(1) of that Act provides that a reference to the Commissioners of Inland Revenue shall be taken as a reference to the Commissioners for Her Majesty's Revenue and Customs.

(2) 2004 c. 12.

(3) S.I. 2005/2045.

“If—

- (a) the notice extends to, or
- (b) condition C is met in,

two”.

(6) In paragraph (6) after “(4)” insert “or if condition C is met”.

4. In regulation 19 (work carried out on land owned by the person to whom payment is made), in paragraph (2)(a) after “Act” insert “applies”.

5.—(1) Amend regulation 20 (reverse premiums) as follows.

(2) In paragraph (1) at the end insert “or section 99 of the Income Tax (Trading and Other Income) Act 2005(4) (reverse premiums)”.

(3) In paragraph (2) for “does” substitute “and section 100(1) of the Income Tax (Trading and Other Income) Act 2005 (excluded cases) do”.

6. In regulation 22 (payments in respect of property used for business), in paragraph (2)(a) after “let” insert “(except where the sale or letting of that property is purely incidental to the business of that person)”.

*Paul Gray*  
*Mike Hanson*

Two of the Lords Commissioners of Her  
Majesty’s Revenue and Customs

5th March 2007

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## EXPLANATORY NOTE

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

These Regulations amend the Income Tax (Construction Industry Scheme) Regulations 2005 ([S.I. 2005/2045](#)) which make provision in relation to the construction industry scheme established by Chapter 3 of Part 3 of the Finance Act 2004 ([c. 12](#)).

Regulation 3 amends regulation 10 (return and certificate if amount may be unpaid) to enable a certificate to be issued by an officer of Revenue and Customs where a contractor has submitted a return but has not paid the amount due.

Regulation 4 amends paragraph 19 (work carried out on land owned by the person to whom payment is made) to correct an omission.

Regulation 5 amends regulation 20 (reverse premiums) to extend the exception to individuals.

Regulation 6 amends regulation 22 (payments in respect of property used for business) to extend the exception to expenditure in relation to property which is sold or let if the sale or letting is purely incidental to the business concerned.

A full regulatory impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.