
STATUTORY INSTRUMENTS

2014 No. 1017

INCOME TAX

**The Income Tax (Pay As You Earn)
(Amendment No. 2) Regulations 2014**

<i>Made</i>	- - - -	<i>14th April 2014</i>
<i>Laid before the House of Commons</i>	- - - -	<i>15th April 2014</i>
<i>Coming into force</i>	- -	<i>6th May 2014</i>

The Commissioners for Her Majesty's Revenue and Customs make the following Regulations in exercise of the powers conferred by section 684(1) and (2) of the Income Tax (Earnings and Pensions) Act 2003(1).

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Income Tax (Pay As You Earn) (Amendment No. 2) Regulations 2014 and come into force on 6th May 2014.

(2) These Regulations have effect in relation to amounts which are due and payable for the tax year 2014-15 and subsequent tax years.

Amendment of the Income Tax (Pay As You Earn) Regulations 2003

2. The Income Tax (Pay As You Earn) Regulations 2003(2) are amended as follows—

(a) insert after regulation 67G(3) (payments to and recoveries from HMRC for each tax period by Real Time Information employers)(3)—

“(3A) Where a return for a tax period(4) contains a correction under regulation 67E(5) (returns under regulations 67B and 67D: amendments)(5) and paragraph (3) of this regulation applies, the negative amount is treated as having been paid to HMRC(6)—

-
- (1) 2003 c. 1. Paragraphs 102(2) and 117 of Schedule 4 to the Commissioners for Revenue and Customs Act 2005 (c. 11) amended section 684 so that the Commissioners for Her Majesty's Revenue and Customs have the power to make the Regulations. Further relevant amendments have been made to section 684 by section 145 of the Finance Act 2003 (c. 14), section 94(3) of the Finance Act 2006 (c. 25), paragraphs 2 and 3 of Schedule 58 to the Finance Act 2009 (c. 10), section 85 of the Finance Act 2011 (c. 11) and by section 225 of, and paragraph 5 of Schedule 1 to, the Finance Act 2012 (c. 14).
- (2) S.I. 2003/2682; relevant amending instruments are S.I. 2007/1077, 2012/822, 2013/521 and 2014/472.
- (3) Regulation 67G was inserted by regulation 27 of S.I. 2012/822 and amended by regulation 25 of S.I. 2013/521.
- (4) The term “tax period” is defined in regulation 2(1) of S.I. 2003/2682.
- (5) Regulation 67E was inserted by regulation 27 of S.I. 2012/822 and amended by regulation 22 of S.I. 2013/521 and regulation 6 of S.I. 2014/472.

- (a) 17 days after the end of the tax period in respect of which that return is delivered, where payment is made using an approved method of electronic communications⁽⁷⁾, or
- (b) 14 days after the end of the tax period in respect of which that return is delivered, in any other case.”;
- (b) insert after regulation 67H(3) (payments to and recoveries from HMRC for each tax period by Real Time Information employers: returns under regulation 67E(6))⁽⁸⁾—
 - “(4) Where the value of the adjustment is a negative amount, that amount is treated as having been paid to HMRC—
 - (a) 17 days after the end of the final tax period of the tax year⁽⁹⁾ the return relates to, if payment is made using an approved method of electronic communications, or
 - (b) 14 days after the end of the final tax period of the tax year the return relates to, in any other case.”; and
- (c) insert after regulation 69(1) (due date and receipts for payment of tax)⁽¹⁰⁾—
 - “(1A) In paragraph (1), the reference to amounts due under regulation 67G(2) includes any amount the employer was liable to deduct from employees during the tax period whether or not that amount was included in any return under regulation 67B (real time returns of information about relevant payments) or 67D (exceptions to regulation 67B).”.

Jim Harra

Ruth Owen

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

14th April 2014

(6) The term “HMRC” is defined as meaning Her Majesty’s Revenue and Customs in regulation 2(1) and was inserted by regulation 3 of [S.I. 2007/1077](#).

(7) “Approved method of electronic communications” is defined in regulation 189. A direction under regulation 189 and 205(2) was issued in March 2012 providing that approved methods of electronic communication are “the services known as Direct Debit, BACS Direct Credit (including telephone and internet banking), CHAPS, debit and credit card over the internet (BillPay), Government Banking Services (formerly known as Paymaster), Bank Giro and payments made through the Post Office.”. A copy of that direction is available at <http://www.hmrc.gov.uk/ebu/irboadir.htm>.

(8) Regulation 67H was inserted by regulation 27 of [S.I. 2012/822](#) and has been amended by regulation 26 of [S.I. 2013/521](#).

(9) The term “tax period” is defined in regulation 2(1) of [S.I. 2003/2682](#).

(10) Regulation 69 has been amended by regulation 13 of [S.I. 2007/1077](#), regulation 30 of [S.I. 2012/822](#) and regulation 27 of [S.I. 2013/521](#).

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Income Tax (Pay As You Earn) Regulations 2003 (S.I. 2003/2682) (“the principal Regulations”) which make provision for the assessment, charge, collection and recovery of income tax in respect of pay as you earn (“PAYE”) income.

Regulation 1 provides that these Regulations have effect in relation amounts due and payable for the tax year 2014-15 and subsequent tax years. As a consequence, these Regulations have effect in relation to payments which are due to Her Majesty’s Revenue and Customs (“HMRC”) on, or after, 19th May 2014.

Regulation 2 makes amendments to the principal Regulations as a consequence of the charging of interest on tax unpaid and the payment of repayment interest in accordance with sections 101 and 102 of the Finance Act 2009 (c. 10). The amendments in paragraphs (a) and (b) make provision for the date from which repayment interest will be payable by HMRC where an overpayment arises as a consequence of a correction in a return either during the tax year or after the end of the tax year in question. The amendment in paragraph (c) makes provision for a due and payable date for the payment of tax which an employer has failed to include in a return to HMRC.

A Tax Information and Impact Note has not been prepared for this Instrument as it gives effect to previously announced policy.