
STATUTORY INSTRUMENTS

2004 No. 941

TAX CREDITS

The Tax Credits Up-rating Regulations 2004

Made - - - - *29th March 2004*

Coming into force - - *6th April 2004*

Whereas the Treasury have reviewed the amounts specified in section 41(2) of the Tax Credits Act 2002⁽¹⁾ in order to determine whether they have retained their value in relation to general level of prices in the United Kingdom;

And whereas a draft of these Regulations, which prescribe monetary amounts that are required to be reviewed under that section, was laid before, and approved by resolution of, each House of Parliament, pursuant to section 66(1) and (2)(a) of that Act;

Now therefore the Treasury, in exercise of the powers conferred upon them by sections 7(1)(a), 9, 11, 13(2) and 65(1) of that Act, make the following Regulations:

Citation, commencement, effect and interpretation

1.—(1) These Regulations may be cited as the Tax Credits Up-rating Regulations 2004 and shall come into force on 6th April 2004.

(2) In these Regulations—

“the Child Tax Credit Regulations” means the Child Tax Credit Regulations 2002⁽²⁾;

“the Entitlement Regulations” means the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002⁽³⁾;

“the Income Thresholds Regulations” means the Tax Credits (Income Thresholds and Determination of Rates) Regulations 2002⁽⁴⁾.

(3) These Regulations have effect in relation to awards of tax credits for the tax year beginning on 6th April 2004 and subsequent tax years.

Amendment of the Child Tax Credit Regulations

2. In regulation 7(4) of the Child Tax Credit Regulations (individual element of the child tax credit)—

(1) [2002 c. 21](#)
(2) [S.I. 2002/2007](#).
(3) [S.I. 2002/2005](#).
(4) [S.I. 2002/2008](#).

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- (a) in sub-paragraph (a) for “£3,600” substitute “£3,840”;
- (b) in sub-paragraph (b) for “£4,465” substitute “£4,730”;
- (c) in sub-paragraph (c) for “£1,445” substitute “£1,625”;
- (d) in sub-paragraph (d) for “£3,600” substitute “£3,840”;
- (e) in sub-paragraph (e) for “£4,465” substitute “£4,730”; and
- (f) in sub-paragraph (f) for “£1,445” substitute “£1,625”.

Amendment of the Entitlement Regulations

3. For the Table in Schedule 2 to the Entitlement Regulations substitute the Table set out in the Schedule to these Regulations.

Amendment of the Income Thresholds Regulations

4. In regulation 3(3) of the Income Thresholds Regulations (first income threshold for those entitled to child tax credit) for “£13,230” substitute “£13,480”.

29th March 2004

John Heppell
Jim Murphy
Two of the Lords Commissioners of Her
Majesty’s Treasury

SCHEDULE

Regulation 3

Table substituted in Schedule 2 to the Entitlement Regulations

<i>Relevant element of working tax credit</i>	<i>Maximum annual rate</i>
1. Basic element	£1,570
2. Disability element	£2,100
3. 30 hour element	£640
4. Second adult element	£1,545
5. Lone parent element	£1,545
6. Severe disability element	£890
7. 50 plus element—	
(a) (a) in the case of a person who normally undertakes qualifying remunerative work for at least 16 hours, but less than 30 hours, per week	£1,075
(b) (b) in the case of a person who normally undertakes qualifying remunerative work for at least 30 hours per week	£1,610

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

Section 41 of the Tax Credits Act 2002 (c. 21) requires the Treasury, in each tax year to—

- (a) review the amounts referred to in subsection (2) of that section,
- (b) prepare a report of each review; including a statement of what each of the amounts would be if it had fully retained its value; and
- (c) publish the report and lay a copy of it before each House of Parliament.

The Treasury's report of the review in respect of the tax year 2003-04 was published and laid before Parliament on 23rd February 2004.

In consequence of the review the Treasury have made these Regulations, prescribing increases in certain of the sums required to be reviewed under section 41.

Regulation 1 provides for the citation, commencement and effect of these Regulations, and defines some terms used in them.

Regulation 2 amends regulation 7(4) of the Child Tax Credit Regulations 2002 (S.I.2002/2007), increasing the maximum rate of the individual element of a child tax credit.

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Regulation 3 and the Schedule amend Schedule 2 to the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 (S.I. [2002/2005](#)) by substituting a new Table prescribing the maximum rates for the elements of working tax credit other than the child care element.

Regulation 4 increases the first income threshold for those entitled to child tax credit in regulation 3(3) of the Tax Credits (Income Thresholds and Determination of Rates) Regulations 2002 (S.I. [2002/2008](#)).

These Regulations impose no new costs on business.