



Finance Act 1995

1995 CHAPTER 4

PART III

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

Management: self-assessment etc.

106 Return of employees' emoluments etc.

- (1) For section 15 of the Management Act there shall be substituted the following section—

“15 Return of employees' emoluments etc.

- (1) Every employer, when required to do so by notice from an officer of the Board, shall, within the time limited by the notice, prepare and deliver to the officer a return relating to persons who are or have been employees of his, containing the information required under the following provisions of this section.
- (2) An employer shall not be required to include in his return information relating to any year of assessment if the notice is given more than five years after the 31st January next following that year.
- (3) A notice under subsection (1) above—
 - (a) shall specify the employees for whom a return is to be made and may, in particular, specify individuals (by name or otherwise) or all employees of an employer or all his employees who are or have been in employment to which Chapter II of Part V of the principal Act applies; and
 - (b) shall specify the years of assessment or other periods with respect to which the information is to be provided.
- (4) A notice under subsection (1) above may require the return to state the name and place of residence of an employee to whom it relates.

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- (5) A notice under subsection (1) above may require the return to contain, in respect of an employee to whom it relates, the following particulars—
- (a) in the case of relevant payments made by the employer, particulars of the payments;
 - (b) in the case of relevant payments not falling within paragraph (a) above the making of which by another person has been arranged by the employer—
 - (i) particulars of the payments; and
 - (ii) the name and business address of the other person; and
 - (c) in the case of relevant payments not falling within either of the preceding paragraphs, the name and business address of any person who has, to the employer's knowledge, made the payments.
- (6) Any payments made to an employee in respect of his employment are relevant payments for the purposes of this section, including—
- (a) payments to him in respect of expenses (including sums put at his disposal and paid away by him);
 - (b) payments made on his behalf and not repaid; and
 - (c) payments to him for services rendered in connection with a trade or business, whether the services were rendered in the course of his employment or not.
- (7) Where, for the purposes of his return, an employer apportions expenses incurred partly in or in connection with a particular matter and partly in or in connection with other matters—
- (a) the return shall contain a statement that the sum included in the return is the result of such an apportionment; and
 - (b) if required to do so by notice from an officer of the Board, the employer shall prepare and deliver to the officer, within the time limited by the notice, a return containing full particulars as to the amount apportioned and the manner in which, and the grounds on which, the apportionment has been made.
- (8) A notice under subsection (1) above may require the return—
- (a) to state in respect of an employee to whom it relates whether any benefits are or have been provided for him (or for any other person) by reason of his employment, such as may give rise to charges to tax under the relevant sections, that is to say, sections 141, 142, 143, 144A, 145, 146 and 154 to 165 of the principal Act (miscellaneous benefits in cash or in kind); and
 - (b) if such benefits are or have been provided, to contain such particulars of those benefits as may be specified in the notice.
- (9) Where such benefits are provided the notice may, without prejudice to subsection (8)(b) above, require the return to contain the following particulars—
- (a) in the case of benefits which are or have been provided by the employer, particulars of the amounts which may be chargeable to tax by virtue of the relevant sections;

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- (b) in the case of benefits not falling within paragraph (a) above the provision of which by another person is or has been arranged by the employer—
 - (i) particulars of the amounts which may be so chargeable; and
 - (ii) the name and business address of the other person; and
 - (c) in the case of benefits not falling within either of the preceding paragraphs, the name and business address of any person who has, to the employer's knowledge, provided the benefits.
- (10) Where it appears to an officer of the Board that a person has, in any year of assessment, been concerned in making relevant payments to, or providing benefits to or in respect of, employees of another, the officer may at any time up to five years after the 31st January next following that year by notice require that person—
- (a) to deliver to the officer, within the time limited by the notice, such particulars of those payments or benefits, or of the amounts which may be chargeable to tax in respect of the benefits, as may be specified in the notice (so far as known to him); and
 - (b) to include with those particulars the names and addresses (so far as known to him) of the employees concerned.
- (11) In determining, in pursuance of a notice under subsection (1) or (10) above, amounts which may be chargeable to tax by virtue of the relevant sections, a person—
- (a) shall not make—
 - (i) any deduction or other adjustment which he is unable to show, by reference to information in his possession or otherwise available to him, is authorised or required by the relevant sections; or
 - (ii) any deduction authorised by section 141(3), 142(2), 145(3) or 156(8) of the principal Act; but
 - (b) subject to that, shall make all such deductions and other adjustments as may be authorised or required by the relevant sections.
- (12) Where the employer is a body of persons, the secretary of the body or other officer (by whatever name called) performing the duties of secretary shall be treated as the employer for the purposes of this section.

Where the employer is a body corporate, that body corporate, as well as the secretary or other officer, shall be liable to a penalty for failure to comply with this section.

- (13) In this section—
- “arranged” includes guaranteed and in any way facilitated;
 - “employee” means an office holder or employee whose emoluments fall to be assessed under Schedule E, and related expressions are to be construed accordingly;
 - “relevant payments” has the meaning given by subsection (6) above; and
 - “the relevant sections” has the meaning given by subsection (8)(a) above.”

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- (2) This section has effect as respects payments made or benefits provided on or after 6th April 1996.

Changes to legislation:

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