

SCHEDULES

SCHEDULE 11

Section 53.

CHILDREN’S TAX CREDIT: BABY RATE: SUPPLEMENTARY

Introduction

- 1 Schedule 13B to the Taxes Act 1988 (children’s tax credit: provisions applicable where child lives with more than one adult in a year of assessment) is amended as follows.

Child living with married or unmarried couple

- 2 After paragraph 3(2) (provisions applicable where neither partner has income above the basic rate limit: entitlement where both partners claim in respect of a relevant child) insert—

“(2A) If a relevant child is a qualifying baby the reference in sub-paragraph (2) (b) above to the amount mentioned in section 257AA(2) is to the higher amount applicable by virtue of subsection (2A) of that section.”.

Election that credit should go to lower-earning partner

- 3 In paragraph 5(4) (circumstances in which election may be made for current year of assessment), after paragraph (c) insert—

“(ca) a relevant child is born in that year, or”.

Child living with more than one adult: other cases

- 4 (1) Paragraph 6 (provisions applicable in case of child living with more than one adult) is amended as follows.

- (2) After sub-paragraph (4) (apportionment of entitlement) insert—

“(4A) If the child is a qualifying baby the reference in sub-paragraph (4) above to the amount mentioned in section 257AA(2) is to the higher amount applicable by virtue of subsection (2A) of that section.”.

- (3) After sub-paragraph (7) (claim by person with more than one allotted proportion) insert—

“(7A) Where sub-paragraph (7) above applies in relation to a person, and any child in respect of which a proportion has been, or could have been, allotted to that person is a qualifying baby, the reference in that sub-paragraph to the amount mentioned in section 257AA(2) is to the higher amount applicable by virtue of subsection (2A) of that section.”.

Status: This is the original version (as it was originally enacted).

Combined cases

- 5 In paragraph 7 (provisions applicable where child lives with more than one couple or with one or more couples and one or more other adults), after sub-paragraph (2) insert—
- “(3) Where paragraph 6(4A) or (7A) above applies, the reference in sub-paragraph (2) above to the amount mentioned in section 257AA(2) is to the higher amount applicable by virtue of subsection (2A) of that section.”.

Change of circumstances

- 6 (1) Paragraph 8 (change of circumstances) is amended as follows.
- (2) In sub-paragraph (4) (periods before and after change to be treated as years of assessment for certain purposes), after “section 257AA” insert “(except subsection (4A))”.
- (3) After sub-paragraph (5) (apportionment of amounts) insert—
- “(5A) If the child is a qualifying baby the references in sub-paragraph (5) above to the amount specified in section 257AA(2) are to the higher amount applicable by virtue of subsection (2A) of that section.”.