

*These notes refer to the Tax Credits Act 2002
(c.21) which received Royal Assent on 8 July 2002*

TAX CREDITS ACT 2002

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 1: Tax Credits

Section 13: Rate

72. **Section 13** provides that claimants whose income (or aggregate income) does not exceed the income threshold are entitled to the maximum rate of tax credit for which they are eligible according to their circumstances. Similarly, a claimant entitled to certain social security benefits (to be prescribed under section 7(2)) is entitled to tax credits at the maximum rate.
73. For other cases, the section allows for regulations to be made setting out how the rate of entitlement is to be calculated. This provides the scope to set out the rate or rates at which tax credits are to be withdrawn depending on the income of the claimant or claimants, and allows for rounding.
74. The section also allows for regulations to specify circumstances where minimal entitlement may be reduced to nil.