
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012, Cross Heading: Consequential amendments. (See end of Document for details)

SCHEDULES

SCHEDULE 1

HIGH INCOME CHILD BENEFIT CHARGE

Consequential amendments

- 2 In section 7 of TMA 1970 (notice of liability to income tax and capital gains tax), in subsection (3), for the words from “his total income” to the end substitute “—
- (a) the person's total income consists of income from sources falling within subsections (4) to (7) below,
 - (b) the person has no chargeable gains, and
 - (c) the person is not liable to a high income child benefit charge.”
- 3 After section 13 of the Social Security Administration Act 1992 insert—

“13A Election not to receive child benefit

- (1) A person (“P”) who is entitled to child benefit in respect of one or more children may elect for all payments of the benefit to which P is entitled not to be made.
- (2) An election may be made only if P reasonably expects that, in the absence of the election, P or another person would be liable to a high income child benefit charge in respect of the payments to which the election relates made for weeks in the first tax year.
- (3) An election has effect in relation to payments made for weeks beginning after the election is made.
- (4) But where entitlement to child benefit is backdated, an election may have effect in relation to payments for weeks beginning in the period of three months ending immediately before the claim for the benefit was made.
- (5) An election may be revoked.
- (6) A revocation has effect in relation to payments made for weeks beginning after the revocation is made.
- (7) But if—
 - (a) P makes an election which results in all payments, in respect of child benefit, to which P is entitled for one or more weeks in a tax year not being paid, and
 - (b) had no election been made, neither P nor any other person would have been liable to a high income child benefit charge in relation to the payments,

P may, no later than two years after the end of the tax year, revoke the election so far as it relates to the payments.

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- (8) Subsections (2) to (7) are subject to directions under subsection (9).
- (9) The Commissioners for Her Majesty's Revenue and Customs may give directions as to—
- (a) the form of elections and revocations under this section, the manner in which they are to be made and the time at which they are to be treated as made, and
 - (b) the circumstances in which, if child benefit is not being paid to a person at the full rate or the Commissioners are satisfied that there are doubts as to a person's entitlement to child benefit for a child, an election or revocation is not to have effect or its effect is to be postponed.
- (10) For the purposes of this section—
- “child” includes a qualifying young person;
- “first tax year”, in relation to an election, means the tax year in which the first week beginning after the election is made falls;
- “week” means a period of 7 days beginning with a Monday; and a week is in a tax year if (and only if) the Monday with which it begins is in the tax year.”

4 After section 11 of the Social Security Administration (Northern Ireland) Act 1992 insert—

“11A Election not to receive child benefit

- (1) A person (“P”) who is entitled to child benefit in respect of one or more children may elect for all payments of the benefit to which P is entitled not to be made.
- (2) An election may be made only if P reasonably expects that, in the absence of the election, P or another person would be liable to a high income child benefit charge in respect of the payments to which the election relates made for weeks in the first tax year.
- (3) An election has effect in relation to payments made for weeks beginning after the election is made.
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 - (a) P makes an election which results in all payments, in respect of child benefit, to which P is entitled for one or more weeks in a tax year not being paid, and
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- (9) The Commissioners for Her Majesty's Revenue and Customs may give directions as to—
- (a) the form of elections and revocations under this section, the manner in which they are to be made and the time at which they are to be treated as made, and
 - (b) the circumstances in which, if child benefit is not being paid to a person at the full rate or the Commissioners are satisfied that there are doubts as to a person's entitlement to child benefit for a child, an election or revocation is not to have effect or its effect is to be postponed.
- (10) For the purposes of this section—
- “child” includes a qualifying young person;
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 - “week” means a period of 7 days beginning with a Monday; and a week is in a tax year if (and only if) the Monday with which it begins is in the tax year.”

- 5 (1) ITEPA 2003 is amended as follows.
- (2) In section 1 (overview of contents of Act)—
- (a) in subsection (1)(c), after “see” insert “ Chapters 1 to 7 of”, and
 - (b) in subsection (3), after paragraph (a) insert—
 - “(aa) makes provision for the high income child benefit charge (see Chapter 8 of Part 10),”.
- (3) In section 655 (structure of Part 10), in subsection (1), at the end insert—
- “Chapter 8 makes provision for the high income child benefit charge.”
- (4) In section 684 (PAYE regulations), in subsection (2), after Item 2 insert—
- “2ZA Provision—
- (a) for deductions to be made, if and to the extent that the payee does not object, with a view to securing that income tax payable for a tax year by the payee by virtue of section 681B (high income child benefit charge) is deducted from PAYE income of the payee paid during that year,
 - (b) for repayments to be made in a tax year, if and to the extent that the payee does not object, in respect of any amounts overpaid on account of income tax under that section for that tax year, and
 - (c) as to the circumstances and manner in which a payee may object to the making of deductions or repayments.”
- (5) In section 685 (tax tables), in subsection (2)(b), after “2” insert “ , 2ZA ”.
- (6) In section 717 (orders and regulations made by Treasury or Commissioners), in subsection (4), after “companies” insert “ or to which section 681F(3) (variation of

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income limit etc for high income child benefit charge: orders increasing liability to tax) applies”.

- (7) In Part 2 of Schedule 1 (index of defined expressions), insert at the appropriate places—

“adjusted net income (in Chapter 8 of Part 10)	section 681H”
“partner (in Chapter 8 of Part 10)	section 681G”
“week (in Chapter 8 of Part 10)	section 681H”

- 6 (1) ITA 2007 is amended as follows.
- (2) In section 1 (overview of the Income Tax Acts), in subsection (1)(a), after “social security income” insert “ and makes provision for the high income child benefit charge”.
- (3) In section 30 (additional tax), in subsection (1), after “section 809ZO (tainted charity donations by trustees: charge to tax),” insert—
- “Chapter 8 of Part 10 of ITEPA 2003 (high income child benefit charge),”.

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