

1974 No. 340

INCOME TAX

**The Income Tax (Councillors' Attendance Allowances)
Regulations 1974**

<i>Made</i>	- - -	5th March 1974
<i>Laid before the House of Commons</i>		14th March 1974
<i>Coming into Operation</i>		6th April 1974

The Commissioners of Inland Revenue, in exercise of the powers conferred upon them by section 204 of the Income and Corporation Taxes Act 1970(a) hereby make the following Regulations:—

1. These Regulations may be cited as the Income Tax (Councillors' Attendance Allowances) Regulations 1974 and shall come into operation on 6th April 1974. These Regulations are supplemental to the Income Tax (Employments) Regulations 1973(b) (hereinafter referred to as "the Principal Regulations").

Interpretation

2.—(1) The Interpretation Act 1889(c) shall apply for the interpretation of these Regulations as it applies for the interpretation of an Act of Parliament.

(2) In these Regulations, unless the context otherwise requires, words and expressions to which meanings are assigned by the Principal Regulations, or in which other words or expressions are stated in the Principal Regulations to be included, are to be interpreted in accordance with the Principal Regulations.

(3) Subject to the immediately preceding paragraph, and without prejudice to the generality thereof, in these Regulations, except where the context otherwise requires—

"attendance allowance" means a payment by way of attendance allowance within section 173(1) of the Local Government Act 1972(d), section 45(1) of the Local Government (Scotland) Act 1973(e) or Regulation 3(1) of the Local Government (Payments to Councillors) Regulations (Northern Ireland) 1973(f);

"council" and "joint committee" have the meanings assigned to them by section 148(1) of the Local Government Act (Northern Ireland) 1972(g);

(a) 1970 c. 10.

(c) 1889 c. 63.

(e) 1973 c. 65.

(g) 1972 c. 9 (N.I.).

(b) S.I. 1973/334 (1973 L, p. 1147).

(d) 1972 c. 70.

(f) S.R. & O. (N.I.) 1973/443.

“councillor” means any member of a local authority who is entitled to receive a payment by way of attendance allowance by virtue of section 173(1) of the Local Government Act 1972 or section 45(1) of the Local Government (Scotland) Act 1973 and any member of a council entitled to receive a payment by way of attendance allowance by virtue of Regulation 3(1) of the Local Government (Payments to Councillors) Regulations (Northern Ireland) 1973 and includes an alderman of a local authority who has elected to be treated as eligible for an attendance allowance under the provisions of section 173(5) of the Local Government Act 1972;

“employer” includes the local authority, council or joint committee paying the attendance allowance;

“local authority” in England and Wales has the meaning assigned to it by section 270(1) of the Local Government Act 1972 and in Scotland has the meaning assigned to it by section 235(1) of the Local Government (Scotland) Act 1973.

3. Regulation 5 of the Principal Regulations applies to these Regulations as it applies to the Principal Regulations.

4.—(1) The following paragraphs of this Regulation shall apply in any case in which a councillor is entitled to receive an attendance allowance.

(2) Where a councillor is aggrieved by the Inspector’s determination under Regulation 7 or 8 of the Principal Regulations, he may by notice to the Inspector opt to have income tax deducted from the attendance allowance at the basic rate in force at the time of payment of the attendance allowance.

(3) On receipt of any such notice the Inspector shall give notice to the employer of the exercise of the option and, on making any payment of an attendance allowance to the councillor, the employer shall, subject to paragraph (4) of this Regulation, deduct income tax therefrom at the basic rate in force at the time of that payment.

(4) Where a councillor has exercised his option under paragraph (2) of this Regulation and the Inspector considers that he may be obliged to expend money wholly, exclusively and necessarily in the performance of his duties as a councillor the Inspector may direct the employer to disregard an appropriate amount of the councillor’s attendance allowance in calculating the tax to be deducted when any payment of attendance allowance is made to the councillor.

(5) Where the Inspector has given notice to the employer of the exercise by a councillor of the option in paragraph (2) of this Regulation, the employer shall record, either on the deduction card or in such other form as may be authorised by the Commissioners of Inland Revenue, the following particulars regarding every payment of attendance allowance which he makes to the councillor, namely—

- (a) the date of the payment;
- (b) the amount of the attendance allowance;
- (c) where paragraph (4) of this Regulation applies, the net amount of the attendance allowance from which tax has been deducted;
- (d) the amount of tax deducted from the attendance allowance.

5. Part IV of the Principal Regulations (which relates to payment and recovery of tax, etc.) shall apply as if the tax liable to be deducted under Regulation 4(3) of these Regulations was liable to be deducted under the Principal Regulations.

By Order of the Commissioners of Inland Revenue.

J. H. Gracey
Secretary.

5th March 1974.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations modify the Regulations relating to Income Tax under Pay As You Earn in respect of attendance allowances paid to councillors and others under the Local Government Act 1972, the Local Government (Scotland) Act 1973 and the Local Government Act (Northern Ireland) 1972. They provide (Regulation 4) an option to have income tax deducted from the attendance allowance at the basic rate in force at the time of payment, after taking account where appropriate of the expenses incurred in performing the duties of a councillor.

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