
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Income Tax (Construction Industry Scheme) Regulations 2005 (“the CIS Regulations”), making changes to the way Her Majesty’s Revenue and Customs may recover deductions on account of tax due under the construction industry scheme. Similar changes have recently been made in relation to earnings-related contributions (by the Social Security (Contributions) (Amendment No.3) Regulations 2008) and tax due under PAYE (by the Income Tax (Pay As You Earn) (Amendment) Regulations 2008). It is expected that similar amendments will be made to the student loans repayment regulations applying in both Great Britain and Northern Ireland.

Regulation 3 inserts new definitions of “combined amount”, “SSC Regulations” and “Student Loan Regulations” in regulation 2 of the CIS Regulations. In fact, the latter two are definitions that appear in regulation 8(4), but they only applied to that regulation, rather than throughout. The opportunity is taken to correct typographical errors in the definitions. Regulation 8(4) is omitted accordingly (by regulation 5).

Regulation 4 corrects an error discovered in regulation 7 of the CIS Regulations.

Regulation 6 amends regulation 11 of the CIS Regulations so that an officer of Revenue and Customs may specify and certify a “combined amount”. This is an unpaid amount of deductions, together with amounts of earnings-related contributions, PAYE and student loan deductions that the contractor is required to pay over to Revenue and Customs.

Regulation 7 amends regulation 16 of the CIS Regulations to enable Revenue and Customs to take proceedings for combined amounts specified under regulation 11 and interest, without the need to identify each individual component.

Regulation 8 amends regulation 57 to enable certificates to be prepared in respect of combined amounts and interest due on those combined amounts.

An impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.