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STATUTORY INSTRUMENTS

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**2018 No. 365**

**The Tax Credits and Childcare (Miscellaneous Amendments) Regulations 2018**

**Amendment of the Tax Credits (Definition and Calculation of Income) Regulations 2002**

2.—(1) The Tax Credits (Definition and Calculation of Income) Regulations 2002<sup>(1)</sup> are amended as follows.

(2) In regulation 2(2) (interpretation)<sup>(2)</sup> omit the definition of “Saving Gateway Account”.

(3) In regulation 4 (employment income) in Table 1 (payments and benefits to be disregarded in the calculation of employment income) after item 3C<sup>(3)</sup> insert—

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“3D

Any accommodation allowance which is payable out of public revenue for, or towards, the costs of accommodation to, or in respect of, a member of the armed forces of the Crown, providing that the payment meets any conditions which have been specified in regulations made by the Treasury.”

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(4) In regulation 10 (investment income) in Table 4 (payments disregarded in the calculation of investment income)<sup>(4)</sup>—

(a) omit item 14, and

(b) in item 15 after “section 1” insert “or 2”.

(5) In regulation 14 (claimants treated for any purpose as having income by virtue of the Income Tax Acts)<sup>(5)</sup>—

(a) in paragraph (1) at the end insert “, but this is subject to paragraph (1A)”, and

(b) after paragraph (1) insert—

“(1A) Where paragraph (2)(b)(x) or (2)(b)(xi) applies, the amount of income that the claimant is to be treated as having is:

$$x - y$$

where

“x” is the amount of income under section 652, 654 or 655 of ITTOIA<sup>(6)</sup>, and

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(1) [S.I. 2002/2006](#); relevant amending instruments are [S.I. 2006/766](#), [2007/1305](#), [2010/751](#), [2012/848](#), [2016/987](#) and [2017/396](#).  
(2) The definition of “Saving Gateway Account” was inserted by regulation 3 of [S. I. 2010/751](#).  
(3) Entry 3C in Table 1 was inserted by regulation 3(1) of [S.I. 2012/848](#).  
(4) Entry 14 was inserted by regulation 14 of [S.I. 2010/751](#) and entry 15 was inserted by regulation 4 of [S.I. 2017/396](#).  
(5) Regulation 14 has been amended by regulation 17 of [S.I. 2006/766](#) and regulation 8 of [S.I. 2007/1305](#).  
(6) “ITTOIA” is defined in regulation 2(2) as meaning the Income Tax (Trading and Other Income) Act 2005 (c. 5). That definition was inserted by regulation 7 of [S.I. 2006/766](#).

“y” is the amount that would, but for section 272A(7) of that Act, be deductible in calculating the profits for income tax purposes of a property business for the profits year.

(1B) In paragraph (1A) “profits year” has the meaning given by section 274A of ITTOIA (reduction for individuals)(8).”.

(6) In regulation 19 (general disregards in the calculation of income) in Table 6 (sums disregarded in the calculation of income) after item 18(9) insert—

“19. Any payment made by the Scottish Ministers to a claimant who is, or who has been, in receipt of carer’s allowance under section 70 of the Contributions and Benefits Act (carer’s allowance)(10) during the relevant tax year to supplement that allowance.

In this item and in items 20 and 21 “Scottish Ministers” has the meaning given by section 44(2) of the Scotland Act 1998(11).

20. Any payment in respect of funeral expense assistance which is made by the Scottish Ministers to a claimant who has accepted responsibility for the expenses of a funeral to meet, or help towards meeting, those expenses.

21. Any payment made by the Scottish Ministers in respect of early years assistance, which is made for the purposes of meeting some of the costs associated with having, or expecting to have, a baby or child in the family.

22. Any discretionary financial assistance payment which is made by a Scottish local authority to a claimant who is in receipt of housing benefit provided by virtue of a scheme under section 123 of the Contributions and Benefits Act (income-related benefits) to meet, or help towards meeting, a claimant’s housing costs.

In this item “Scottish local authority” means “a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994”(12).”.

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(7) Section 272A was inserted by section 24(2) of the Finance (No. 2) Act 2015 (c. 33) and amended by paragraph 19 of Schedule 2 to the Finance (No. 2) Act 2017 (c. 32).

(8) Section 274A was inserted by section 24(5) of the Finance (No. 2) Act 2015 and substituted by section 26(1) of Finance Act 2016 (c. 24).

(9) Item 18 was inserted by regulation 2(3) of S.I. 2016/987.

(10) The “Contributions and Benefits Act” is defined by regulation 2(2) as meaning the Social Security Contributions and Benefits Act 1992 (c. 4).

(11) 1998 c. 46. Section 44 has been amended by section 12 of the Scotland Act 2012 (c. 11).

(12) 1994 c. 39. Section 2 has been amended by paragraph 232(1) of Schedule 22 to the Environment Act 1995 (c. 25).