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STATUTORY INSTRUMENTS

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**2022 No. 1243**

**INCOME TAX**

**The Income Tax (Pay As You Earn)  
(Amendment) Regulations 2022**

*Made* - - - - 28th November 2022  
*Laid before the House of  
Commons* - - - - 29th November 2022  
*Coming into force* - - 20th December 2022

The Commissioners for His Majesty’s Revenue and Customs, in exercise of the powers conferred by section 684(1) and (2) of the Income Tax (Earnings and Pensions) Act 2003(1), and now exercisable by them(2), make the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Income Tax (Pay As You Earn) (Amendment) Regulations 2022 and come into force on 20th December 2022.

**Amendment of the Income Tax (Pay As You Earn) Regulations 2003**

2. The Income Tax (Pay As You Earn) Regulations 2003(3) are amended as follows.

3. In regulation 65A (relief from income tax on PAYE income: information about deductible expenses)(4)—

- (a) in paragraph (1)(a) after “Chapter 2” insert “or Chapter 4”;
- (b) for paragraph (4) substitute—

“(4) For the purposes of this regulation, the specified information means—

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- (1) 2003 c. 1 (“ITEPA”). Section 684 was relevantly amended by section 145 of the Finance Act 2003 (c. 14), paragraphs 102 and 117 of Schedule 4 to the Commissioners for Revenue and Customs Act 2005 (“CRCA”) (c. 11), section 94 of the Finance Act 2006 (c. 25), paragraphs 2, 3, 5, 6 and 7 of Schedule 58 to the Finance Act 2009 (c. 10), and section 225 of, and paragraph 5 of Schedule 1 to, the Finance Act 2012 (c. 14).
  - (2) The powers of the Board of the Inland Revenue under section 684 of ITEPA were transferred to the Commissioners for Revenue and Customs by paragraph 102(2) of Schedule 4 to CRCA. The functions of the Commissioners of Inland Revenue were transferred to the Commissioners for Her Majesty’s Revenue and Customs (“HMRC”) by section 5(2) of CRCA. Section 50(1) of CRCA provides that a reference to the Commissioners for Inland Revenue, however expressed, shall be taken as a reference to the Commissioners for Her Majesty’s Revenue and Customs.
  - (3) S.I. 2003/2682 (“the PAYE Regulations”), amended by the Income Tax (Pay As You Earn) and the Income Tax (Construction Industry Scheme) (Amendment) Regulations 2022, S.I. 2022/227; there are other amending instruments but none is relevant.
  - (4) Regulation 65A was inserted by S.I. 2022/227.

- (a) the tax year<sup>(5)</sup> in relation to which the employee<sup>(6)</sup> is entitled to relief from income tax as described in paragraph (1)(a) in respect of the deductible expenses notified;
- (b) in relation to that employee—
  - (i) the employee’s full name,
  - (ii) the employee’s date of birth,
  - (iii) the employee’s address (including postcode), and
  - (iv) the employee’s national insurance number (if any);
- (c) in relation to each of the deductible expenses notified—
  - (i) the amount of the deductible expense,
  - (ii) a description of the deductible expense,
  - (iii) the employer’s PAYE reference<sup>(7)</sup> of the relevant employer, and
  - (iv) in the case of a deductible expense allowed under Chapter 4 of Part 5 of ITEPA<sup>(8)</sup>, a description of the industry or business sector of the relevant employer.

(4A) The relevant employer in relation to a deductible expense is the person to whom paragraph (4B) applies.

(4B) This paragraph applies to a person if—

- (a) the person is the employee’s employer<sup>(9)</sup> in relation to an employment<sup>(10)</sup>, and
- (b) the deductible expense in question is allowed from the employee’s taxable earnings<sup>(11)</sup> from that employment.”.

*Jim Harra  
Penny Ciniewicz*

Two of the Commissioners for His Majesty’s  
Revenue and Customs

28th November 2022

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(5) Regulation 2 of the PAYE Regulations defines “tax year” as a year for which any Act provides for income tax to be charged.

(6) Regulation 2 of the PAYE Regulations provides that, subject to regulations 10 to 12, “employment” has the meaning given in sections 4 and 5 of ITEPA and that “employee” has a corresponding meaning.

(7) Regulation 2 of the PAYE Regulations defines “employer’s PAYE reference” as the combination of the employer’s employer reference (defined in regulation 2 as the combination of letters, numbers or both use by the Inland Revenue to identify an employer for the purposes of the PAYE Regulations) and the Inland Revenue office number.

(8) Regulation 2 of the PAYE Regulations defines “ITEPA” as the Income Tax (Earnings and Pensions) Act 2003.

(9) Regulation 2 of the PAYE Regulations provides that, subject to regulations 10 to 12, “employment” has the meaning given in section 4 and 5 of ITEPA and that “employer” has a corresponding meaning.

(10) Regulation 2 of the PAYE Regulations provides that, subject to regulations 10 to 12, “employment” has the meaning given in sections 4 and 5 of ITEPA.

(11) Section 10(2) of ITEPA states that “taxable earnings” from an employment in a tax year are to be determined in accordance with Chapters 4 and 5 of Part 2 of ITEPA.

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

The Regulations amend the Income Tax (Pay As You Earn) Regulations 2003 ([S.I. 2003/2682](#)) (“the PAYE Regulations”).

Regulation 1 provides for citation, commencement and effect. The Regulations come into force on 20th December 2022.

Regulation 3 amends regulation 65A of the PAYE Regulations. Regulation 65A provides that an employee may notify specified information to the Commissioners for His Majesty’s Revenue and Customs (“HMRC”) in accordance with a direction made by HMRC in relation to certain expenses allowed as deductions from taxable earnings by virtue of section 327 of the Income Tax (Earnings and Pensions) Act [2003 \(c. 1\)](#) (“ITEPA”).

Paragraph (1)(a) of regulation 65A is amended so that fixed allowance expenses under Chapter 4 of Part 5 of ITEPA are within the scope of that regulation.

Paragraph (4) of regulation 65A is substituted to make explicit the information that must be supplied to HMRC in accordance with that regulation.

A Tax Information and Impact Note has not been prepared in relation to these changes as they contain no substantive changes to tax policy.